

SOUTH SANGAMON WATER COMMISSION
SANGAMON COUNTY, ILLINOIS

FILED
JUN 29 2020
Don J. May
Sangamon County Clerk

ORDINANCE NUMBER 2020-05

AN ORDINANCE AUTHORIZING ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS (ALTERNATE REVENUE SOURCE), SERIES 2020 OF THE SOUTH SANGAMON WATER COMMISSION, SANGAMON COUNTY, ILLINOIS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$31,000,000 FOR THE PURPOSE OF REFUNDING CERTAIN EXISTING BONDS OF THE COMMISSION AND PROVIDING FOR THE LEVY OF A DIRECT ANNUAL TAX TO PAY THE PRINCIPAL AND INTEREST ON SAID BONDS

ADOPTED BY THE BOARD OF COMMISSIONERS
MAY 18, 2020

ORDINANCE NO. 2020-05

An Ordinance authorizing issuance of General Obligation Refunding Bonds (Alternate Revenue Source), Series 2020 of the South Sangamon Water Commission, Sangamon County, Illinois in an aggregate principal amount not to exceed \$31,000,000 for the purpose of refunding certain existing bonds of the Commission and providing for the levy of a direct annual tax to pay the principal and interest on said bonds

PREAMBLES

WHEREAS, the South Sangamon Water Commission, Sangamon County, Illinois (the "Commission"), has heretofore been duly organized and is now operating as a commission and public corporation under the provisions of the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.* and all laws amendatory thereof and supplementary thereto (the "Act"), and in particular, 65 ILCS 5/11-135-1, *et seq.* thereof ("Division 135"); and

WHEREAS, the Village of Chatham, Illinois and the Village of New Berlin, Illinois (collectively, the "Villages") adopted ordinances pursuant to which the Villages elected to jointly acquire, construct and operate a common source of supply of water (the "System") and establish the Commission under the authority granted by Division 135; and

WHEREAS, the Commission previously issued its Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B (Build America Bonds - Direct Payment) in the original principal amount of \$23,505,000 (the "2010B Bonds"), its Tax-Exempt General Obligation Bonds (Alternate Revenue Source), Series 2010C in the original principal amount of \$3,090,000 (the "2010C Bonds") and its Water Commission Subordinate Revenue Bond, Series 2011 in the original principal amount of \$5,200,000 (the "2011 Bonds", and together with the 2010B Bonds and the 2010C Bonds, the "Prior Bonds"); and

WHEREAS, the Prior Bonds were issued pursuant to Illinois law, including the Act, the Municipal Bond Reform Act, 65 ILCS 5/8-4.1-1 *et seq.*, the Intergovernmental Cooperation article of the Illinois Constitution (Section 10 of Article VII of the Constitution of the State of Illinois), the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.*, the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.* (the "Reform Act"), the Omnibus Bond Acts, 5 ILCS 70/8 and other applicable law (collectively, "Applicable Acts"); and

WHEREAS, the Villages and the Commission have approved and entered into intergovernmental agreements consisting of the Wholesale Water Agreements (individually, a "Contract" and collectively, the "Contracts") and an Intergovernmental Agreement dated as of September 1, 2010 as amended by Amendment No. 1 dated as of March 1, 2020 (the "Intergovernmental Agreement"), each by and among the Villages and the Commission pursuant to the Intergovernmental Cooperation article of the Illinois Constitution (Section 10 of Article VII of the Constitution of the State of Illinois), the Intergovernmental Cooperation Act 5 ILCS 220/1 *et seq.* and the Applicable Acts (the Intergovernmental Agreement together with the Contracts being collectively, the "Intergovernmental Agreements"); and

WHEREAS, the Villages provide to the Commission governmental revenue sources under the Intergovernmental Agreements in accordance with the Reform Act sufficient to pay the Prior Bonds (the "Revenues"); and

WHEREAS, the Board of Commissioners of the Commission (the "Board") has determined it is advisable, necessary and in the best interests of the Commission to issue refunding bonds to refund all or part of the Prior Bonds in order to achieve debt service savings; and

WHEREAS, the total estimated costs of refunding the Prior Bonds including costs of issuing the refunding bonds does not to exceed \$31,000,000 (the "Refunding"); and

WHEREAS, there are insufficient funds on hand and lawfully available to pay the costs of the Refunding; and

WHEREAS, the Commission proposes to pay costs of the Refunding by issuing its general obligation alternate bonds pursuant to the Applicable Acts in an aggregate principal amount not to exceed \$31,000,000 (the "Bonds") as particularly authorized by Section 15 of the Reform Act, but expected to be paid from the Revenues; and

WHEREAS, if the Revenues are insufficient to pay the Bonds, ad valorem property taxes upon all taxable property in the Commission, which presently consists of all the taxable property in the Villages, without limitation as to rate or amount are authorized to be extended to pay the principal of and interest on the Bonds; and

WHEREAS, the Board adopted Ordinance No. 19-05 on December 16, 2019 (the "Authorizing Ordinance"), authorizing the issuance of \$31,000,000 aggregate principal amount of alternate bonds to finance the costs of the Refunding as provided in the Applicable Acts; and

WHEREAS, the Authorizing Ordinance and the notice of intent to issue the alternate bonds were published in the *Chatham Clarion* and the *New Berlin Bee* on December 19, 2019, being newspapers published and having general circulation in the Commission, and affidavits evidencing the publication of the Authorizing Ordinance and the notice of intent have heretofore been presented to the Board and made a part of the permanent records of the Board; and

WHEREAS, no petitions were filed with the Commission requesting the questions of proceeding with the Refunding and issuance of the alternate bonds therefor be submitted to the legal voters of the Commission; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act, 30 ILCS 352/1 *et seq.*, the Board called a public hearing (the "Hearing") for January 21, 2020, concerning the intent of the Board to sell said alternate bonds; and

WHEREAS, notice of the Hearing was given by (i) publication in the *Chatham Clarion* and the *New Berlin Bee* on January 2, 2020, dates not less than seven (7) nor more than thirty (30) days before the date of the Hearing, and (ii) posting a copy of said notice at the principal office of the Board and at the location of the Hearing at least 48 hours before the Hearing; and

WHEREAS, the Hearing was held on January 21, 2020, and at the Hearing, 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; and

WHEREAS, the Hearing was adjourned on January 21, 2020; and

WHEREAS, the Board adopted Ordinance No. 10-21 on August 31, 2010 entitled "A Master Ordinance of South Sangamon Water Commission, Sangamon County, Illinois, authorizing and providing certain terms and security for bonds of the Commission" (the "Master Bond Ordinance; and

WHEREAS, the Commission now proposes to issue as part of the Authorized Amount its General Obligation Refunding Bonds (Alternate Revenue Source), Series 2020 in the aggregate principal amount of not to exceed \$31,000,000 (the "Bonds") as junior lien alternate bonds in accordance with the Master Bond Ordinance as supplemented by this series ordinance; and

WHEREAS, the Board finds and determines in accordance with the Reform Act that the Revenues are a governmental revenue source sufficient to provide for or pay in each year to final maturity of the Bonds all of the following: (1) costs of operation and maintenance of the System, but not including depreciation, (2) debt service on all outstanding revenue bonds payable from Revenues, (3) all amounts required to meet any fund or account requirements with respect to outstanding revenue bonds, (4) other contractual or tort liabilities obligations, if any, payable from Revenues, and (5) in each year, an amount not less than 1.10 times debt service of all (i) alternate bonds payable from Revenues previously issued and outstanding and (ii) the Bonds (items (1) through (5) hereinafter being called the "Reform Act Costs"); and

WHEREAS, the determination of the sufficiency of the Revenues may be supported by reference to the most recent audit of the Commission or, if the audit does not show the sufficiency of Revenues, the report of an independent feasibility analyst having a national reputation for expertise in such matters who is not otherwise involved in the project being financed, demonstrating the sufficiency of the Revenues and explaining by what means the Revenues will be greater than as shown in the audit; and

WHEREAS, the Commission's most recent audit is for the fiscal year ending April 30, 2019 (the "Audit") and the Audit does not show that Revenues will be sufficient to pay the Reform Act Costs; and

WHEREAS, payments by the Villages to the Commission pursuant to the Intergovernmental Agreements increased during the fiscal year ending April 30, 2020, and will cause the amount of Revenues to be greater than as shown in the Audit; and

WHEREAS, the Commission finds and determines that Dunbar, Breitweiser & Company, LLP ("Dunbar") is an independent accountant and is not otherwise involved in the project being financed or refinanced with the Bonds; and

WHEREAS, Dunbar's Debt Service Coverage Report dated May 18, 2020 (the "Reform Act Report") has been submitted to the Board and explains by what means the Revenues will be

greater than as shown in the Audit and demonstrates the sufficiency of the Revenues to provide for the Reform Act Costs; and

WHEREAS, the Reform Act Report has been presented to the Board and is now on file with the Clerk of the Commission; and

WHEREAS, the only revenue bonds of the Commission outstanding after the Refunding will be the Commission's loan from Hickory Point Bank, of which \$613,750 is currently outstanding (the "Hickory Point Loan"); and

WHEREAS, the annual debt service on the Hickory Point Loan after the Refunding will not exceed \$170,629; and

WHEREAS, after the Refunding, the Commission will have no outstanding alternate bonds payable from the Revenues other than the Bonds, the Commission will have no amounts required to meet any fund or account requirements with respect to outstanding revenue bonds of the Commission, and the Commission will have no other contractual or tort liabilities obligations payable from Revenues; and

Whereas, the maximum annual debt service on the Bonds authorized by this Ordinance is \$2,050,000;

WHEREAS, the Reform Act Report shows that Revenues will be sufficient to pay the Reform Act Costs in each year to final maturity of the Bonds, including no less than 1.10 times debt service for the Bonds; and

WHEREAS, the Board accepts the Reform Act Report and expressly finds and determines that the Revenues are a governmental revenue source under the Reform Act, will be sufficient to provide or pay in each year to final maturity of the Bonds all of the Reform Act Costs, and the Board's determination is supported by reference to and acceptance of the Reform Act Report; and

WHEREAS, the Board finds and determines that the conditions of Section 15 of the Reform Act have been met, that the Bonds may be validly issued and that such determination is conclusive evidence that the conditions of Section 15 of the Reform Act have been met and the Bonds are valid; and

WHEREAS, the Board further finds and determines that the Adjusted Net Revenues of the Commission as shown in the Reform Act Report for the last completed fiscal year of the Commission are at least equal to 1.10 times Maximum Annual Debt Service on all Outstanding Bonds computed immediately after the issuance of the Bonds, all as required by Article 8 of the Master Bond Ordinance; and

WHEREAS, the Commission has satisfied the conditions of the Master Bond Ordinance, the Bond Issue Notification Act and the Applicable Acts, and the Commission is authorized to issue alternate bonds payable from the Revenues to pay costs of the Refunding to the amount of \$31,000,000 (the "Authorized Amount"); and

WHEREAS, the Commission now desires to adopt this Ordinance supplementing the Authorizing Ordinance and the Master Bond Ordinance to authorize the issue of the Bonds in the amount not to exceed \$31,000,000; and

WHEREAS, for convenience of reference only this Ordinance is divided into numbered sections with headings, which shall not define or limit the provisions hereof, as follows:

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NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE SOUTH SANGAMON WATER COMMISSION, SANGAMON COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. Definitions

As used or referred to in this Ordinance, unless otherwise defined herein or unless the context otherwise requires, all words and terms defined in Section 1.01 of the Master Bond Ordinance shall have the meaning ascribed therein. In addition, the following terms shall have the following meanings in this Ordinance:

“2010 Bonds” means collectively, the 2010B Bonds and 2010C Bonds.

“Bond” or “Bonds” means the Commission’s General Obligation Refunding Bonds (Alternate Revenue Source), Series 2020 authorized to be issued by this Ordinance, including bonds issued in exchange for or upon transfer or replacement of such bonds previously issued under this Ordinance.

“Bond Insurer” means, with respect to the Bonds, an insurance company that has insured the payment of the principal of and interest on the Bonds pursuant to a Municipal Bond Insurance Policy as set forth in the Bond Order.

“Bond Order” means the Bond Order executed by the Chairman specifying the details of the sale of the Bonds and the Refunding as provided and delegated in this Ordinance, including, as the case may be, but not limited to, a Municipal Bond Insurance Policy and a Bond Insurer, if any, the book-entry only registration, final principal amounts, interest rates, and maturity schedules, optional and mandatory redemption provisions, reoffering premium, original issue discount, and other matters, all subject to the parameters contained in this Ordinance.

“Bond Purchase Agreement” means the contract of purchase between the Commission and the Purchaser for the purchase of the Bonds.

“Bond Register” means the books of the Commission kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

“Bond Registrar” means Zions Bancorporation, National Association, St. Louis, Missouri, or a successor thereto or designated as Bond Registrar hereunder.

“Code” means the Internal Revenue Code of 1986, as amended, and includes related and applicable regulations promulgated by the Treasury Department.

“Escrow Agent” means Zions Bancorporation, National Association, St. Louis, Missouri, or a successor thereto, as Escrow Agent under the Escrow Agreement.

“Escrow Agreement” means the escrow letter agreement between the Commission and the Escrow Agent for the refunding of the 2010 Bonds.

“Issue Date” means the date the Bonds are issued in exchange for payment of the purchase price by the Purchaser for the Bonds.

“Master Bond Ordinance” means Ordinance No. 10-21 adopted by the Board on August 31, 2010, as amended and supplemented.

“Municipal Bond Insurance Policy” means a municipal bond insurance policy issued by a Bond Insurer guaranteeing to the registered owners of Bonds the payment of the principal of and interest on the Bonds.

“Official Statement” means the Official Statement used in connection with the sale of the Bonds.

“Ordinance” means this ordinance, as authorized under the Master Bond Ordinance.

“Paying Agent” means Zions Bancorporation, National Association, St. Louis, Missouri, or any successor thereto or designated as Paying Agent hereunder.

“Pledged Moneys” means collectively, the Revenues and the Pledged Taxes pledged to payment of the Bonds.

“Pledged Taxes” means the ad valorem taxes levied against all of the taxable property in the Commission without limitation as to rate or amount pledged hereunder by the Commission as security for all the Bonds as described in Section 15 of this Ordinance.

“Purchaser” means Bernardi Securities, Inc., Chicago, Illinois, the underwriter with respect to the Bonds.

“Redemption Dates” means one or more dates on which the Refunded Bonds are to be redeemed, such dates being within 90 days of the issuance date of the Bonds and determined by the Chairman in the Bond Order.

“Reform Act” means the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.*, as amended and supplemented.

“Senior Lien Bonds” means bonds payable from the Senior Lien Bond and Interest Account established by the Master Bond Ordinance.

Section 2. Authority and Purpose

This Ordinance is adopted pursuant to the Constitution and applicable laws of the State of Illinois, including the Applicable Acts, for the purpose of financing costs of the Refunding. The Board hereby finds that the recitals contained in the preambles to this Ordinance are full, true, and correct and does 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 Commission and for the public health, safety, and welfare to issue the Bonds for the purpose of paying the costs of the Refunding. The Board accepts the Reform Act Report and expressly finds and determines that the Revenues are a governmental revenue source under the Reform Act, will be sufficient to provide or pay in each year to final maturity of the Bonds all of the Reform Act Costs, and the Board’s determination is supported by reference to and acceptance of the Reform Act Report. The Board finds that all conditions precedent to the issuance of alternate bonds under the Reform Act payable from the Revenues have been met or have occurred and that the Bonds may be validly issued as junior lien

alternate bonds under the Master Bond Ordinance in parity with other junior lien bonds heretofore or hereafter issued under the Master Bond Ordinance.

Section 4. Determination of Useful Life

The Board does hereby determine the period of usefulness of the facilities financed with the Prior Bonds and the System to be at least forty (40) years from the date of issuance of the Bonds.

Section 5. Authorization and Terms of Bonds

For the purpose of paying the costs of the Refunding including costs of issuing the Bonds, the Bonds of the Commission shall be issued and sold, and there shall be borrowed on the credit of and for and on behalf of the Commission the sum of not to exceed \$31,000,000.

The Bonds are hereby authorized and shall be issued in such principal amount not exceeding \$31,000,000 as determined by the Chairman in the Bond Order (the "Bond Order"). Authority is delegated to the Chairman until October 1, 2020 to determine whether to sell all or part of the Bonds with a Municipal Bond Insurance Policy and to select a Bond Insurer, to determine the principal amount of Bonds to be issued and the amount of the individual interest rates, maturities and sinking fund installments thereof, to determine redemption prices and provisions of the Bonds, if any, to determine the Redemption Dates, and to determine all other details of the Bonds not otherwise specified or determined in this Ordinance.

The Bonds shall be designated "General Obligation Refunding Bonds (Alternate Revenue Source), Series 2020. The Bonds shall be issuable in the denomination of \$5,000 or any authorized integral multiple thereof, shall be due and payable on January 1 of such years (not later than 2041), in such serial principal maturities and sinking fund installments (not greater than \$2,050,000), and bear interest at the rates per annum (not exceeding 6.00% per annum), all as the Chairman shall certify and determine in the Bond Order and the order to the Bond Registrar to authenticate and deliver the Bonds. The determination of such serial principal maturities and sinking fund installments as may be certified by the Chairman are hereby specifically authorized and approved without any further action or approval by the Board other than as set forth in this Ordinance. Authority is delegated to the Chairman to sell the Bonds to the Purchaser by executing and delivering to the Purchaser the Bond Purchase Agreement. The sale of the Bonds and the determination of the details of the Bonds shall be evidenced by the Bond Order, which shall be executed by the Chairman and attested by the Clerk or Assistant Clerk of the Commission and filed with the Clerk prior to the issuance of the Bonds. The execution and filing of the Bond Order shall constitute conclusive evidence that the sale of the Bonds and the determination of the details of the Bonds by the Chairman have been approved and determined in accordance with this Ordinance.

The Bonds shall be sold to the Purchaser provided that, the aggregate purchase price of the Bonds shall not be less than 97% of the aggregate reoffering price of the Bonds, the true interest cost of the Bonds shall not exceed 6.0%, the interest rate shall not exceed 6.0% per annum, and, after giving credit for that amount of debt service on the Bonds provided for by the setting aside of proceeds of the Bonds or other moneys at the time of the delivery of the Bonds, the Revenues are sufficient to pay all of the Reform Act Costs in each year to final maturity of the Bonds, including no less than 1.10 times debt service for the Bonds.

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 on January 1 and July 1 of each year commencing January 1, 2021 and 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 15th day of the month preceding the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

The Bonds may be issued as term bonds and subject to mandatory redemption prior to maturity as provided in the Bond Order (the "Term Bonds"). The Commission may purchase Term Bonds, either in the open market or pursuant to a tender offer, for settlement on or before the date of such mandatory redemption. To the extent that the Commission shall have purchased any Term Bonds, the Commission may reduce the principal amount of the Term Bond to be redeemed at subsequent redemption dates by a like principal amount as provided in the Bond Order, provided however (i) if on or before 45 days preceding the applicable mandatory redemption date for a Term Bond, the Commission redeems pursuant to optional redemption or purchases Term Bonds of any maturity and cancels the same from funds in the Bond and Interest Account, then an amount equal to the principal amount of the Term Bonds so redeemed or purchased shall be deducted from the mandatory redemption requirements provided for Term Bonds of such maturity, first, in the current year of such requirement, until the requirement for the current year has been fully met, and then in any order of such Term Bonds as due at maturity or subject to mandatory redemption in any year, as the Commission shall determine, and (ii) if on or before 45 days preceding the applicable mandatory redemption date of a Term Bond, the Commission redeems pursuant to optional redemption or purchases Term Bonds of any maturity and cancels the same from moneys other than in the Bond and Interest Account, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the amount of such Term Bonds as due at maturity or subject to mandatory redemption requirement in any year, as the Commission shall determine.

Section 6. Sale of Bonds; Official Statement

The Chairman is authorized to execute and deliver, and the Clerk or Assistant Clerk to attest the Chairman's signature to, a Bond Purchase Agreement in form and substance satisfactory to the Chairman. The form of Official Statement prepared with respect to the Bonds is hereby approved and the distribution thereof to prospective purchasers and the use thereof by the Purchaser of the Bonds in connection with the offering of the Bonds is authorized and approved. The Official Statement is "deemed final" as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The use by the Purchaser of the Preliminary Official Statement and the Official Statement is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the Officers are hereby authorized to take any action as may be required on the part of the Commission to consummate the transactions contemplated by this Ordinance, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Bonds.

The Officers are hereby authorized and directed to do and perform, or cause to be done or performed for or on behalf of the Commission each and everything necessary for the issuance of

the Bonds, including the proper execution and delivery of the Bonds, the Bond Purchase Agreement, and the Official Statement. The Chairman is authorized to approve such changes and revisions to the Bond Purchase Agreement and the Official Statement as shall be necessary and proper in connection with the negotiated sale and public offering of the Bonds. The execution and delivery of the Bond Purchase Agreement, Bond Order and the Official Statement shall constitute conclusive evidence that such documents, in final form, have been approved in accordance with this Section.

Section 7. Redemption.

The Bonds may be subject to optional and mandatory redemption, on the date or dates specified in the Bond Order (but not later than 10-1/2 years after the issuance of the Bonds) and, at redemption prices no greater than 103% of par plus accrued interest, all as determined and specified by the Chairman in the Bond Order. If less than all of the Bonds of a single maturity are to be redeemed, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Bond Registrar pro-rata based upon the aggregate principal amount thereof then Outstanding; provided, however, that the portion of any Bond of a denomination of more than the minimum authorized denomination to be redeemed shall be in the principal amount of an authorized denomination and that, in selecting portions of such Bonds for redemption, the Bond Registrar shall treat each such Bond as representing that number of Bonds of said minimum authorized denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by said minimum authorized denomination. If the Bonds are held in book entry form at the time of such redemption, the Commission shall direct the Bond Registrar to instruct DTC to select the specific Bonds within such maturity for redemption pro-rata among such Bonds. The Commission and the Bond Registrar shall have no responsibility or obligation to insure that DTC properly selects such Bonds for redemption.

Section 8. Execution and Authentication

Each Bond shall be executed in the name of the Commission by the manual or authorized facsimile signature of its Chairman and the corporate seal of the Commission, or a facsimile thereof, shall be thereunto affixed, impressed or otherwise reproduced or placed thereon and attested by the manual or authorized facsimile signature of its Clerk.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any Bond shall cease to hold such office before the issuance of such Bond, such Bond shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature, or a facsimile thereof, appears on such Bond had not ceased to hold such office. Any Bond may be signed, sealed or attested on behalf of the Commission by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond such person may not hold such office. No recourse shall be had for the payment of any Bonds against the Chairman or any member of the Board of Commissioners or any officer or employee of the Commission (past, present or future) who executes the Bonds, or on any other basis.

Each Bond shall bear thereon a certificate of authentication executed manually by the Bond Registrar. No Bond shall be entitled to any right or benefit under this Ordinance or shall be valid or obligatory for any purpose 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 the Bond Registrar 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 9. Transfer, Exchange and Registration

Subject to the general provisions relating to exchanges as set forth in the Master Bond Ordinance, all Bonds, upon surrender at the principal corporate office of the Bond Registrar, shall be exchangeable for other Bonds of the same maturity and of a different authorized denomination or denominations, as requested by the Registered Owner surrendering the same. The Commission will execute, and the Bond Registrar shall authenticate, date and deliver, Bonds whenever the same are required for any such exchange.

The Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each Bond shall be transferable only upon the registration books maintained by the Bond Registrar on behalf of the Commission for that purpose at the principal office of the Bond Registrar by the registered owner thereof in person or by such registered owner's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar and duly executed by the registered owner or such registered owner's duly authorized attorney. Upon the surrender for transfer of any such Bond, the Commission shall execute and the Bond Registrar shall authenticate and deliver a new Bond or Bonds registered in the name of the transferee of the same aggregate principal amount, maturity and interest rate as the surrendered Bond. Bonds, upon surrender thereof at the principal office of the Bond Registrar, duly executed by the registered owner or such registered owner's attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate and of the denomination of \$5,000 or any authorized integral multiple thereof, less previous retirements.

For every such exchange or registration of transfer of Bonds, the Commission or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making such transfer or exchange. The provisions of the Illinois Bond Replacement Act shall govern the replacement of lost, destroyed or defaced Bonds.

The Commission, the Paying Agent and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered upon the registration books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon such registered owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Commission nor the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

Section 10. Bond Registrar and Paying Agent

The Bond Registrar and Paying Agent with respect to the Bonds shall be Zions Bancorporation, National Association, St. Louis, Missouri. The Commission recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form. In this connection, the Commission agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form. The Commission covenants that it shall at all times retain a Bond Registrar and Paying Agent with respect to the Bonds and shall cause to be maintained at the office of such Bond Registrar a place where Bonds may be presented for registration of transfer or exchange, that it will maintain at the designated office of the Paying Agent a place where Bonds may be presented for payment, that it shall require that the Bond Registrar maintain proper registration books and that it shall require the Bond Registrar and Paying Agent to perform the other duties and obligations imposed upon each of them by the Ordinance in a manner consistent with the standards, customs and practices concerning municipal securities. The Commission may enter into appropriate agreements with the Bond Registrar and Paying Agent.

The Bond Registrar and Paying Agent shall signify acceptances of the duties and obligations imposed upon it by this Ordinance. The Bond Registrar by executing the certificate of authentication on any Bond shall be deemed to have certified to the Commission that it has all requisite power to accept, and has accepted, such duties and obligations not only with respect to the Bond so authenticated but with respect to all of the Bonds. The Bond Registrar and Paying Agent shall be the agents of the Commission for such purposes and shall not be liable in connection with the performance of their respective duties except for their own negligence or default. The Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on the Bonds.

The Commission may remove the Bond Registrar or Paying Agent at any time. In case at any time the Bond Registrar or Paying Agent shall resign (such resignation to not be effective until a successor has accepted such role) or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Bond Registrar or Paying Agent, or of its property, shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or Paying Agent or of their respective properties or affairs, the Commission covenants and agrees that it will thereupon appoint a successor Bond Registrar or Paying Agent, as the case may be. The Commission shall mail or cause to be mailed notice of any such appointment made by it to each registered owner of Bonds within twenty (20) days after such appointment. Any Bond Registrar or Paying Agent appointed under the provisions of this Section shall be a bank, trust company or other qualified professional with respect to such matters.

Section 11. Form of Bonds

The Bonds shall be issued as fully registered bonds conforming to the industry customs and practices of printing. The Bonds shall be in substantially the form, with the blanks to be appropriately completed when the Bonds are printed, as follows:

[Form of Bond]

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF SANGAMON
SOUTH SANGAMON WATER COMMISSION
GENERAL OBLIGATION REFUNDING BOND
(ALTERNATE REVENUE SOURCE)
SERIES 2020

REGISTERED NO. _____ REGISTERED \$ _____

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____	_____	_____	_____

Registered Owner:

Principal Amount: _____ DOLLARS.

[1] KNOW ALL PERSONS BY THESE PRESENTS that the South Sangamon Water Commission, a commission and public corporation situated in the County of Sangamon, in the State of Illinois (the "Commission"), acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, and to pay interest on such Principal Amount from the Dated Date hereof, or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum set forth above, computed on the basis of a 360-day year consisting of twelve 30-day months and payable in lawful money of the United States of America semiannually on the first day of January and July in each year, commencing January 1, 2021, until the Principal Amount hereof shall have been paid, by check or draft mailed to the Registered Owner of record hereof as of the fifteenth (15th) day of the calendar month next preceding such interest payment date, at the address of such Registered Owner appearing on the registration books maintained for such purpose at the principal corporate trust office of Zions Bancorporation, National Association, St. Louis, Missouri, as Bond Registrar (including its successors, the "Bond Registrar"). This Bond, as to principal and premium, if any, when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of Zions Bancorporation, National Association, St. Louis, Missouri, as Paying Agent (including its successors, the "Paying Agent").

[2] This Bond is one of a series of Bonds issued in aggregate principal amount of \$ _____, which are all of like tenor, except as to maturity, interest rate and right of redemption. The Bonds are junior lien bonds which may be authorized and issued under and pursuant to the Constitution and laws of the State of Illinois, including the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.* and Division 135 thereof, the Intergovernmental Cooperation article of the Illinois Constitution (Section 10 of Article VII of the Constitution of the State of Illinois), the Intergovernmental Cooperation Act 5 ILCS 220/1 *et seq.*, the Municipal Bond Reform Act, 65

ILCS 5/8-4.1-1 *et seq.*, the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.*, the Omnibus Bond Acts, 5 ILCS 70/8 and other applicable law (collectively the “Applicable Acts”), and pursuant to and in accordance with Ordinance No. 10-21 adopted by the Board of Commissioners of the Commission (the “Board”) on August 31, 2010 (the “Master Bond Ordinance”) as supplemented by Ordinance Number 2020-05 adopted by the Board on May 18, 2020 and a bond order of the Commission (collectively, the “Ordinance” and collectively with the Master Bond Ordinance, the “Bond Ordinance”), to which reference is hereby expressly made for all definitions and terms and to all the provisions of which the holder by acceptance of this Bond assents. As provided in the Bond Ordinance, junior lien alternate bonds of the Commission are issuable in several series which may vary as permitted therein.

[3] The Bonds have been issued for the purpose of paying costs of refunding certain prior bonds of the Commission relating to acquisition and construction of a new water system of the Commission, as defined (the “System”). The Bonds are equally and ratably payable from Revenues, as defined, derived from certain Intergovernmental Agreements between the Commission, the Village of New Berlin, Illinois and the Village of Chatham, Illinois, pledged by the Commission and deposited into the Junior Lien Bond and Interest Account established pursuant to the Master Bond Ordinance after payment of operation and maintenance costs of the System (“Net Revenues”), all in accordance with the provisions of the Applicable Acts and the Bond Ordinance. The Bonds have a subordinate and inferior lien on the Net Revenues to Senior Lien Bonds authorized to be issued under the provisions of the Master Bond Ordinance. The Commission has no Senior Lien Bonds outstanding and has covenanted in the Bond Ordinance not to issue Senior Lien Bonds while the Bonds are outstanding. The Bonds are payable from the Revenues available for deposit into the Junior Lien Bond and Interest Account and from ad valorem taxes levied against all of the taxable property in the Commission without limitation as to rate or amount (the “Pledged Taxes”), all in accordance with the provisions of the Applicable Acts.

[4] This Bond shall not constitute an indebtedness of the Commission within the meaning of any constitutional or statutory provision or limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, in which case the amount of the Bonds, as applicable then Outstanding shall be included in the computation of indebtedness of the Commission for purposes of all statutory provisions or limitations until such time as an audit of the Commission shall show that the Bonds shall have been paid from the Revenues for a complete Fiscal Year.

[5] Under the Applicable Acts and the Bond Ordinance, the Revenues are to be deposited into the System Fund which shall be used only and is hereby pledged for paying Operation and Maintenance Costs, paying the principal of and interest on bonds of the Commission that are payable by their terms from the Revenues, providing an adequate depreciation fund, and in making all payments required to maintain the accounts established under the terms of the Bond Ordinance. Additional junior lien alternate bonds in parity with the Bonds, and subordinate bonds may be issued pursuant to the terms of the Bond Ordinance.

[6] Outstanding Bonds issued and authenticated pursuant to the Bond Ordinance are co-equal as to the lien on the Revenues for their payment and share ratably, without any preference, priority, or distinction, the one over the other, as to the source or method of payment and security of any Outstanding Bonds.

[7] The Bonds maturing on or after January 1, 20__ are subject to redemption prior to maturity at the option of the Commission, in such principal amounts and from such maturities as the Commission shall determine, and by lot within a single maturity, on January 1, 20__ and on any date thereafter, at a redemption price of par plus accrued interest to the date fixed for redemption.

[8] *(Term Bond provisions to be used only if Term Bonds are issued)* The Bonds maturing on ____, are subject to mandatory redemption prior to maturity, on ____ and on each ____ thereafter, at a redemption price equal to the principal amount thereof to be redeemed, and in an amount required to satisfy the following mandatory redemption requirements (the "Term Bonds"):

<u>Year</u>	<u>Amount of Redemption Requirement</u>
2__	
2__	

The Commission may purchase Term Bonds, either in the open market or pursuant to a tender offer, for settlement on or before the date of such mandatory redemption. To the extent that the Commission shall have purchased any Term Bonds, the Commission may reduce the principal amount of the Term Bonds to be redeemed at subsequent redemption dates by a like principal amount.

[9] Notice of the redemption of Bonds shall be mailed not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for such redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on such registration books. The Bonds or portions thereof specified in such notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on such date, and if notice of redemption shall have been mailed as aforesaid) and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such Bonds or portions thereof shall cease to accrue and become payable. If there shall be called for redemption less than all of a Bond, the Commission shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the registered owner thereof, for the unredeemed balance of the Bond so surrendered, Bonds of like maturity and of the denomination of \$5,000 or any authorized integral multiple thereof.

[10] This Bond is transferable only upon the registration books therefor by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender hereof at the principal office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or by such a Registered Owner's duly authorized attorney, and thereupon a new registered Bond or Bonds, in the authorized denominations of \$5,000 or any authorized integral multiple thereof and of the same aggregate principal amount as this Bond shall be issued to the transferee in exchange therefor. In like manner, this Bond may be exchanged for an equal aggregate principal amount of Bonds of any authorized denomination. The Bond Registrar shall not be required to exchange or transfer any Bond during the period from the fifteenth (15th) day of the month next

preceding any interest payment date to such interest payment date or during a period of fifteen (15) days next preceding the mailing of a notice of redemption which could designate all or a part of such Bond for redemption. The Commission or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this Bond. No other charge shall be made for the privilege of making such transfer or exchange. The Commission, the Paying Agent and the Bond Registrar may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, premium, if any, and interest due hereon and for all other purposes whatsoever, and all such payments so made to such Registered Owner or upon such Registered Owner's order shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid, and neither the Commission nor the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

[11] The Master Bond Ordinance permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Commission and the rights of the Registered Owners of the bonds under the Master Bond Ordinance at any time by the Commission with the consent of the Registered Owners of 66-2/3% in aggregate principal amount of the bonds of all series at the time Outstanding affected by such modification, including the Bonds. The Master Bond Ordinance also contains provisions permitting the Registered Owners of specified percentages in principal amount of Bonds at the time Outstanding, on behalf of the Registered Owners of all the Bonds, to waive compliance by the Commission with certain provisions of the Bond Ordinance and certain past defaults under the Bond Ordinance and their consequences. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such Registered Owner and upon all future Registered Owners of this Bond and of any Bond issued upon the transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Bond, to the extent provided in the Bond Ordinance.

[12] No recourse shall be had for the payment of any Bonds against the Chairman, any member of the Board of Commissioners or any other officer or employee of the Commission (past, present or future) who executes any Bonds, or on any other basis. The Commission may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

[13] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

[14] It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this Bond in order to make it a legal, valid and binding obligation of the Commission have been done, exist and have been performed in regular and due time, form and manner as required by law; that the series of Bonds of which this Bond is one, together with all other indebtedness of the Commission is within every debt or other limit prescribed by law; that provision has been made for the pledge and collection of the Revenues and the levy and collection of the Pledged Taxes, and the segregation of the Revenues and Pledged Taxes to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the Commission hereby covenants and agrees that it will properly account for the Revenues and Pledged Taxes and will comply with all the

covenants of and maintain the funds and accounts as provided by the Bond Ordinance. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the Commission are hereby irrevocably pledged.

IN WITNESS WHEREOF, the South Sangamon Water Commission, Sangamon County, Illinois, has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman, and its corporate seal, or a facsimile thereof, to be affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Clerk, all as of the Dated Date set forth above.

SOUTH SANGAMON WATER COMMISSION,
Sangamon County, Illinois

SPECIMEN

Chairman

ATTEST:

SPECIMEN

Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2020 described in the within mentioned Bond Ordinance.

Date: _____

By: _____

Authorized Officer

Bond Registrar Zions Bancorporation, National Association,
and Paying Agent: St. Louis, Missouri

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto _____

[Name, Address and Social Security Number or FEIN of Assignee]

the within Bond and hereby irrevocably constitutes and appoints _____
attorney to transfer the within Bond
on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature

Signature Guarantee:

Notice: The signature on 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 12. General Obligations

The Bonds are and constitute alternate bonds under the Reform Act and Junior Lien Bonds under the Master Bond Ordinance, payable from Revenues. Under and pursuant to Section 15 of the Reform Act, the full faith and credit of the Commission is hereby irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds shall be direct and general obligations of the Commission; and the Commission shall be obligated to levy ad valorem taxes upon all the taxable property within the corporate limits of the Villages for the payment of Bonds and the interest thereon, without limitation as to rate or amount.

The Bonds shall be payable from Revenues, all of which are pledged to the Bonds on a junior lien basis as provided in the Master Bond Ordinance, and shall not constitute an indebtedness of the Commission within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in Section 15 hereof, in which case the amount of the Bonds then outstanding shall be included in the computation of indebtedness of the Commission for purposes of all statutory provisions or limitations until such time as an audit of the Commission shall show that the Bonds have been paid from Revenues for a complete Fiscal Year, in accordance with the Applicable Acts.

Section 13. Continuation of System Fund and Accounts Thereof

Upon the issuance of any of the Bonds, the System shall be operated on a Fiscal Year basis. The System Fund and Accounts established or continued under the Master Bond Ordinance shall be continued and all of the Revenues shall be set aside as collected and be deposited into the System Fund as provided in the Master Bond Ordinance, which shall constitute a trust fund pledged for the sole purpose of carrying out the covenants, terms, and conditions of the Master Bond Ordinance as supplemented by this Ordinance. The Bonds do not have a debt service reserve under the Ordinance or Master Bond Ordinance.

Section 14. Establishment of Bond and Interest Subaccount

There is hereby created in the Junior Lien Bond and Interest Account a separate subaccount, which shall be held separate and apart from all other funds and accounts of the Commission, to be known as the "2020 Bond and Interest Subaccount" (the "Bond and Interest Subaccount"), which shall constitute a special trust fund established for the purpose of carrying out the covenants, terms, and conditions imposed upon the Commission by this Ordinance. Moneys in the Bond and Interest Subaccount shall be used only for the purpose of paying interest on and principal of the Bonds and all payments made with respect to the Bonds shall be made directly from the Bond and Interest Subaccount.

There shall be credited monthly to the Bond and Interest Subaccount from Net Revenues without any further official action or direction of the Board as provided in the Master Bond Ordinance, moneys credited to the Junior Lien Bond and Interest Account and held, in cash and investments, no less than one-twelfth of the amount of the next succeeding annual tax levy to pay principal and interest for the Outstanding Bonds contained in Section 15 until there shall have been accumulated in the Bond and Interest Subaccount the amount sufficient such that such annual tax levy may be abated in accordance with Section 17.

Once credited to such subaccount, any moneys held in such subaccount shall be pledged to, and be subject to a first and prior lien for, the Bonds. Any Pledged Taxes received by the Commission shall promptly be deposited into the Bond and Interest Subaccount. Pledged Taxes on deposit to the credit of the Bond and Interest Subaccount, if any, shall be fully spent to pay the principal of and interest on the Bonds prior to use of any other moneys on deposit in the Bond and Interest Subaccount.

Credits to the Bond and Interest Subaccount may be suspended at such time as there shall be a sufficient sum, held in cash and investments, in said subaccount to meet principal and interest requirements in said subaccounts without extension of the next annual tax levy provided in Section 15.

Pursuant to Section 13 of the Debt Reform Act, the moneys deposited or to be deposited into the Bond and Interest Subaccount, including any tax receipts derived from the Pledged Taxes, are pledged as security for the payment of the Bonds. While any Bonds remain outstanding and unpaid, the Pledged Taxes are for the sole benefit of the owners of the Outstanding Bonds and such owners shall have and are granted a security interest in, and a lien upon, all rights, claims and interests of the Commission arising pursuant to those levies and all present and future proceeds of such levies. The security interest in and lien upon those rights, claims and interests are immediately valid and binding from the time the Bonds are issued, and shall immediately attach to (a) the tax receipts of the Pledged Taxes wherever held, and (b) amounts held in the Bond and Interest Subaccount without any physical delivery or further act and the lien of such pledge shall be immediately valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Commission or against the funds, rights, claims or interests pledged hereby irrespective of whether such parties have notice thereof. The pledge is an agreement between the Commission and the Bondholders to provide security for the Bonds in addition to any statutory lien.

Section 15. Pledged Taxes; Tax Levy

For the purpose of providing funds to pay the principal of and interest on the Bonds and as provided in Section 15 of the Reform Act, there is hereby levied upon all of the taxable property within the Commission, in the years for which any of the Bonds are outstanding, a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and there be and hereby is levied upon all of the taxable property in the Commission direct annual taxes for each of the years 2020 through and including 2039 in the amount for each year as follows (the "Pledged Taxes"):

<u>Year</u>	<u>Amount</u>
2020	\$2,050,000
2021	\$2,050,000
2022	\$2,050,000
2023	\$2,050,000
2024	\$2,050,000
2025	\$2,050,000
2026	\$2,050,000
2027	\$2,050,000

<u>Year</u>	<u>Amount</u>
2028	\$2,050,000
2029	\$2,050,000
2030	\$2,050,000
2031	\$2,050,000
2032	\$2,050,000
2033	\$2,050,000
2034	\$2,050,000
2035	\$2,050,000
2036	\$2,050,000
2037	\$2,050,000
2038	\$2,050,000
2039	\$2,050,000

In the event the Bonds are issued in such amount or at such rates that result in annual tax levies less than as set forth in this Section, the reduced tax levies shall be contained in the Bond Order which shall be filed with the County Clerk of the County of Sangamon, Illinois together with a certificate abating the tax levies set forth above.

Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes herein levied; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

Section 16. Filing with County Clerk.

A copy of this Ordinance certified by the Clerk shall be filed with the County Clerk of the County of Sangamon, Illinois (the "County Clerk"). The County Clerk, pursuant to authority set forth in the Applicable Acts, is hereby directed to ascertain the rate percent required to produce the aggregate Pledged Taxes hereinabove provided to be levied, and to extend the same for collection on the tax books, and in each of such years such annual tax shall be levied and collected and, when collected, such Pledged Taxes shall be remitted to the Commission for deposit into the Bond and Interest Subaccount and used solely for the purpose of paying the principal of and interest on the Bonds as the same become due and payable. 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 17. Abatement of Pledged Taxes

For the purpose of providing Revenues in each year sufficient to pay debt service of all Outstanding Bonds for such year, the Commission agrees and covenants to make provision therefor in the Commission's annual budget and appropriation ordinance to be duly adopted by the Board, all to the extent and in the manner, form, and time as provided and permitted by law.

The Commission covenants and agrees with the registered owners of the Bonds that so long as any of the Bonds remain outstanding, unless or to the extent Revenues or other duly appropriated moneys shall be then irrevocably on deposit in the Bond and Interest Subaccount, and on deposit in any reserve accounts of the Commission available to pay principal of and interest

on the Bonds, the Commission will take no action or fail to take any action which in any way would adversely affect the ability of the Commission to collect the Revenues or to levy and collect the Pledged Taxes, and the Commission and its officers will comply with all present and future applicable laws in order to assure that the Net Revenues will be available and that the Pledged Taxes will be levied, extended and collected as provided herein and deposited in the Bond and Interest Subaccount to pay the principal of and interest on the Bonds.

Subject to the foregoing and to the Applicable Acts, whenever the Commission has on deposit sufficient funds to pay the principal at maturity or mandatory redemption of and interest on the Bonds next coming due without extending the tax levy, the Board or such officers of the Commission acting with proper authority shall direct the abatement of the Pledged Taxes tax levy for the Bonds, and proper notification of such abatement shall be filed with the County Clerk of Sangamon County in a timely manner to effect such abatement.

Section 18. Reform Act Covenants

The Commission covenants and agrees with the registered owners of the Bonds that, so long as any Bonds remain Outstanding:

(a) The Commission pledges the Revenues to the payment of the Bonds; and the Board covenants and agrees to charge, collect and apply Revenues to the payment of the Bonds in each year in amounts sufficient to provide for all Reform Act Costs, all in accordance with Section 15 of the Reform Act.

(b) The Commission will punctually pay or cause to be paid from the Bond and Interest Subaccount the principal and interest to become due in respect to the Bonds in strict conformity with the terms of the Bonds and this Ordinance; and it will faithfully observe and perform all of the conditions, covenants, and requirements thereof and hereof.

(c) The Commission will pay and discharge or cause to be paid and discharged from the Bond and Interest Subaccount any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Moneys, or upon any funds in the hands of the Bond Registrar, or which might impair the security of the Bonds. Nothing herein contained shall require the Commission to make any such payment so long as the Commission in good faith shall contest the validity of said claims.

(d) The Commission will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Commission, in which complete and correct entries shall be made of all transactions relating to the Pledged Moneys and the Bond and Interest Subaccount.

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

(f) The Commission 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 registered owners of the Bonds of the rights and benefits provided in this Ordinance.

(g) The Commission will take no action or fail to take any action which in any way would adversely affect the ability of the Commission to levy the Pledged Taxes and to collect and to segregate the Pledged Moneys. The Commission and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes can be levied and extended and that the Pledged Moneys may be collected and deposited to the Bond and Interest Subaccount as provided herein.

(h) Once issued, the Bonds shall be and forever remain until paid, the general obligation of the Commission, for the payment of which its full faith and credit are pledged, and shall be payable from the Pledged Moneys as provided in the Debt Reform Act.

Section 19. Refunding.

The Board authorizes and directs the current refunding of the Refunded Bonds on the Redemption Dates. The Chairman of the Commission is authorized to determine and approve the Redemption Dates and the amount of proceeds of the Bonds that shall be used and applied to pay the costs of such current refunding. Such determinations of the Chairman shall be contained in the Bond Order, and the signature of the Chairman of the Bond Order shall constitute conclusive evidence of the determinations and approval of the Chairman.

The Escrow Agreement between the Commission and the Escrow Agent in substantially the form thereof which has been presented before this meeting, is hereby ratified, confirmed and approved, and the Chairman is hereby authorized and directed to execute the Escrow Agreement for and on behalf of the Commission, and the Clerk is hereby authorized to attest the same, including with such changes therein as the officers of the Commission executing it shall approve, their signature thereof being conclusive evidence of the approval of such officers and the Commission of any such changes therein from the forms thereof now pending before this meeting.

Simultaneously with the delivery of the Bonds, the Commission authorizes deposit in an irrevocable escrow account with the Escrow Agent pursuant to the Escrow Agreement for the payment of the 2010 Bonds the amount necessary from proceeds from the sale of the Bonds, which, together with investment thereof, will be sufficient to pay all principal and interest due on the 2010 Bonds on the Redemption Date for the 2010 Bonds. The making of such deposits in accordance with the terms of this Ordinance will constitute provision of the payment in full of the 2010 Bonds and the interest thereon, and the defeasance and refunding of the 2010 Bonds.

The preceding deposit into the Escrow Agreement may be used to purchase direct obligations of or obligations guaranteed by the full faith and credit of the United States of America as to principal and interest (the "Government Securities") to provide for the payment of the principal of and interest on the Refunded Bonds, as provided in the Escrow Agreement. The Escrow Agent and the Purchaser are each authorized to act as agent for the Commission in the purchase of the Government Securities. Any amounts remaining in the Escrow Fund after redemption of the Refunded Bonds shall be deposited into the Bond and Interest Subaccount.

After the Refunding, (i) moneys in the 2010 Debt Service Reserve Account shall be credited to the Depreciation, Repair & Replacement Account until such account has to its credit the aggregate sum of \$500,000 as required by Section 7.07 of the Master Bond Ordinance, (ii) moneys on deposit in the Series 2010B Bond and Interest Subaccount in the amount that were previously transferred from the 2010 Debt Service Reserve Account shall be credited back to the Series 2010 Debt Service Reserve Accounts, and (iii) remaining moneys in the Series 2010B Bond and Interest Subaccount together with moneys in the Series 2010C Bond and Interest Subaccount and the Series 2011 Bond and Interest Subaccount shall be credited to the 2020 Bond and Interest Subaccount.

The Chairman and Clerk are hereby directed to prepare and file with the Sangamon County Clerk a certificate showing the 2010 Bonds being refunded and directing the abatement of the taxes heretofore levied to pay the 2010 Bonds.

Section 20. Use of Bond Proceeds

The proceeds derived from the sale of the Bonds shall be used as follows:

(a) Accrued interest on the Bonds, if any, shall be credited to the Bond and Interest Subaccount.

(b) An amount determined by the Chairman in the Bond Order shall be used and disbursed on the Issue Date to pay expenses of issuance of the Bonds. At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the Commission from the proceeds of the Bonds. Any portion of such amount not disbursed within six months from the date of issuance of the Bonds shall be paid into the Bond and Interest Subaccount.

(c) The amount necessary to refund the Series 2011 Bonds on the Redemption Date for the 2011 Bonds shall be used to refund the Series 2011 Bonds on such Redemption Date.

(d) The amount necessary to refund the 2010 Bonds on the Redemption Date for the 2010 Bonds shall be deposited with the Escrow Agent pursuant to the Escrow Agreement by the Chairman in the Bond Order and shall be used to current refund the 2010 Bonds on such Redemption Date as described in Section 19 hereof.

(e) The balance of the proceeds remaining, if any, after the above uses shall be paid into the Bond and Interest Subaccount.

Section 21. Rebate Fund.

The Commission hereby authorizes establishment of a special fund, designated as the "Rebate Fund" and in the event that the Commission shall invest moneys in any investments which generate income that must be rebated or paid to the United States of America pursuant to Section 148(f) of the Code, such income shall be deposited in the Rebate Fund. Moneys in the Rebate Fund shall be applied to pay such sums as are required to be paid to the United States of America pursuant to Section 148(f) of the Code and are hereby appropriated and set aside for such purpose. Moneys in the Rebate Fund may be reappropriated and used for other purposes. No such reappropriation and use shall relieve the Commission of its obligation to make payments to the United States of America as required by Section 148(f) of the Code.

Section 22. Bond Tax Covenants

The principal proceeds from the sale of the Bonds shall be devoted to and used with due diligence for the purposes for which the Bonds are hereby authorized to be issued.

The Board certifies and covenants with the purchasers and owners of the Bonds from time to time outstanding that so long as any of the Bonds remain outstanding, 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 of Section 148 of the Code and any lawful regulations promulgated thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Board reserves the right, however, to make any investment of moneys on deposit in any fund or account in connection with the Bonds permitted by state law, if, when and to the extent that such Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the opinion of an attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of municipal Bonds, result in the inclusion of interest on the Bonds in gross income for federal income tax purposes.

The Commission also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with federal tax laws adopted in the future which apply to the Bonds and affect the tax-exempt status of the Bonds.

The Board hereby authorizes the officials of the Commission responsible for issuing the Bonds, the same being the Chairman and Clerk of the Board and the Treasurer of the Commission who receives the taxes of the Commission, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage Bonds and to assure that the interest in the Bonds will be exempt from federal income taxation. In connection therewith, the Commission and the Board further covenant and agree: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to calculate and pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its Officers, to employ and pay fiscal agents, financial advisory attorneys, and other persons to assist the Commission in such compliance.

The certifications, covenants and representations contained herein and at the time of the issuance of the Bonds are made on behalf of the Commission for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, the Commission hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in gross income for federal income tax purposes.

The Commission acknowledges that, in the event of an examination by the Internal Revenue Service regarding the exclusion of interest on the Bonds from gross income for federal income tax purposes, under present rules, the Commission is treated as the “taxpayer” in such 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 23. Not Private Activity Bonds

None of the Bonds is a “private activity bond” as defined in Section 141(a) of the Code. In support of such conclusion, the Commission covenants, represents, and certifies as follows:

- (a) none of the proceeds of the Bonds are to be used, directly or indirectly, in any trade or business carried on by any person other than a state or local governmental unit;
- (b) no direct or indirect payments of the principal or interest are to be made on any Bond with respect to any private business use by any person other than a state or local governmental unit; and
- (c) none of the proceeds of the Bonds are to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit; and
- (d) no user of the facilities financed or refinanced with the proceeds of the Bonds will use the same on any basis other than the same basis as the general public, and no person (as defined in the Code) will be a user of such facilities as a result of (i) ownership; (ii) actual or beneficial use pursuant to a lease or a management or incentive payment; or (iii) any other arrangement.

Section 24. Issuance of Additional Debt

The Commission covenants it shall not issue any Senior Lien Bonds while there are Outstanding Bonds. Notwithstanding anything herein to the contrary, additional Junior Lien Bonds and Subordinate Bonds may be issued in accordance with the Master Bond Ordinance.

Section 25. Discharge and Satisfaction of Bonds

The covenants, liens and pledges entered into, created or imposed pursuant to this Ordinance may be fully discharged and satisfied with respect to the Bonds, or any of them, in accordance with the defeasance provisions of Article 10 of the Master Bond Ordinance.

Section 26. Record-Keeping Policy and Post-Issuance Compliance Matters.

The Board reaffirms the record-keeping policy heretofore adopted to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the debt obligations of the Commission, the interest on which is excludable from “gross income” for federal income tax purposes or which enable the Commission or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds.

Section 27. Municipal Bond Insurance

Authority is delegated to the Chairman to determine in the Bond Order whether to sell all or part of the Bonds with a Municipal Bond Insurance Policy and to select a Bond Insurer, 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 such Bonds) is less than the present value of the interest reasonably expected to be saved on such Bonds over the

term of the Bonds as a result of the Municipal Bond Insurance Policy. The Chairman is hereby authorized to approve and execute a commitment for the purchase of such Municipal Bond Insurance Policy. As long as such Municipal Bond Insurance Policy shall be in full force and effect, the Commission and the Bond Registrar agree to comply with such customary and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer upon payment of the Bonds by the Bond Insurer, amendments, or other terms, as approved by the Chairman, his or her approval to constitute full and complete acceptance by the Commission of such terms and provisions under authority of this Section.

Section 28. Continuing Disclosure Undertaking.

The Chairman of the Board is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Agreement in substantially the form presented at this meeting for the purpose of satisfying the Commission's continuing disclosure obligations under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Continuing Disclosure Undertaking"). When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Commission as herein provided, the Continuing Disclosure Undertaking will be binding on the Commission and the officers, employees and agents of the Commission, and the officers, employees and agents of the Commission 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 said Rule 15c2-12(b)(5) and the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedy 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 Commission to comply with its obligations under the Continuing Disclosure Undertaking.

Section 29. Provisions a Contract

The Commission incorporates by reference the agreements and covenants of the Commission contained in the Master Bond Ordinance. The provisions of this Ordinance and the Master Bond Ordinance shall constitute a contract between the Commission and the owners of the outstanding Bonds. All covenants relating to the Bonds and the conditions and obligations imposed by Section 15 of the Reform Act are enforceable by any holder of the Bonds affected, any taxpayer of the Commission and the People of the State of Illinois acting through the Attorney General or any designee.

Section 30. 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 31. Repealer

Ordinance 2020-02 adopted by the Board on February 18, 2020 is repealed. 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 32. Effective Date.

This Ordinance shall become effective immediately upon its passage.

PASSED by the Board on May 18, 2020.

APPROVED: May 18, 2020.



Chairman

AYES: Bloome; Johnson; Morris

NAYS: 0

ABSENT: 0

RECORDED in the Records of the Commission on May 18, 2020.

ATTEST:



Clerk