

**VILLAGE OF SHERMAN
SANGAMON COUNTY, ILLINOIS**

ORDINANCE NO. 2021-02

AN ORDINANCE PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2021 OF THE VILLAGE OF SHERMAN, SANGAMON COUNTY, ILLINOIS FOR THE PURPOSE OF FINANCING COSTS OF REFUNDING THE VILLAGE'S GENERAL OBLIGATION BONDS, SERIES 2016 AND COSTS OF CONSTRUCTION OF STREET IMPROVEMENTS AND OTHER MUNICIPAL PROJECTS WITHIN THE VILLAGE

Adopted by the President and Board of Trustees of the Village of Sherman,
Sangamon County, Illinois on February 16, 2021.

Published in pamphlet form by the authority of the President and Board of Trustees
of the Village of Sherman, Sangamon County, Illinois this February 16, 2021.

ORDINANCE NUMBER 2021-02

AN ORDINANCE providing for and authorizing the issuance of General Obligation Bonds, Series 2021 of the Village of Sherman, Sangamon County, Illinois for the purpose of financing costs of refunding the Village's General Obligation Bonds, Series 2016 and costs of construction of street improvements and other municipal projects within the Village

WHEREAS, the Village of Sherman, Sangamon County, Illinois (the "Village") is a home rule unit under the 1970 Constitution of Illinois and may, under the power granted by Section 6(a) of Article VII of said Constitution of 1970 exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

WHEREAS, Section 6(d) of Article VII of the 1970 Constitution of Illinois grants authority for the Village to incur debt payable from ad valorem property tax receipts maturing within 40 years from the time it is incurred; and

WHEREAS, Section 6 of Article VII of the 1970 Constitution of Illinois grants constitutional authority for the Village to incur debt payable from ad valorem tax receipts without prior referendum approval and without imposing any limitations upon the rate or amount of taxes to be levied for the payment of the indebtedness so incurred; and

WHEREAS, the Village has previously issued its General Obligation Bonds, Series 2016 (the "2016 Bonds"); and

WHEREAS, the President and the Board of Trustees of the Village (the "Corporate Authorities") have determined that it is advisable, necessary and in the best interests of the Village's public health, safety and welfare to current refund the outstanding 2016 Bonds (collectively, the "Refunded Bonds") to have debt service savings; and

WHEREAS, the Corporate Authorities have also determined it is advisable, necessary and in the best interests of the public health, safety and welfare to acquire and construct street improvements and renovations within the Village and other municipal projects, including all necessary connections, appurtenances, material, labor and equipment incident thereto, all mechanical, electrical and other services necessary, useful or advisable to such construction, and, incidental to such construction and acquisition, to pay bond discount, bond interest, legal, financing, and administrative expenses (all of which said construction, services, and incidental expenses may be referred to as the "Project"); and

WHEREAS, the total estimated costs of the Project and refunding the Refunded Bonds (the "Refunding") are \$3,730,000.00; and

WHEREAS, the Village has insufficient funds on hand and lawfully available to pay costs of the Project and Refunding; and

WHEREAS, it is hereby deemed to be for a public purpose, necessary, essential and in the public interests of the Village and for the welfare of the inhabitants of the Village that the Village issue the bonds herein authorized for the purpose of paying the costs of the Project and Refunding; and

WHEREAS, to provide the sum necessary to pay the costs of the Project and Refunding, the Corporate Authorities determine that the amount of \$3,730,000 be borrowed by the Village as provided herein and in evidence of such borrowing, issue General Obligation Bonds, Series 2021 of the Village in the aggregate principal face amount of \$3,730,000 (the “Bonds”); and

WHEREAS, to provide for the issuance of the Bonds it is necessary for the Village to authorize the execution of certain documents in substantially the forms presented and on file with the office of the Village Clerk; and

WHEREAS, the following Table of Contents is provided for the convenience of reference only:

TABLE OF CONTENTS

Section 1.	Definitions.....	3
Section 2.	Incorporation of Preambles.....	4
Section 3.	Determination to Issue Bonds.....	4
Section 4.	Bond Details.....	4
Section 5.	Execution; Authentication.....	5
Section 6.	Registration of Bonds; Persons Treated as Owners.....	5
Section 7.	General Obligations.....	6
Section 8.	Redemption Prior to Maturity.....	6
Section 9.	Purchase Agreement.....	7
Section 10.	Form of Bonds.....	8
Section 11.	Tax Levy.....	11
Section 12.	Filing with County Clerk.....	11
Section 13.	Bond and Interest Account.....	12
Section 14.	Sale of Bonds.....	12
Section 15.	Use of Bond Proceeds and Appropriations.....	12
Section 16.	Disbursements from Project Account.....	13
Section 17.	Tax Covenants and Representations.....	13
Section 18.	Designation as Qualified Tax-Exempt Obligations.....	15
Section 19.	Bonds Not Private Activity Bonds.....	16
Section 20.	Arbitrage Rebate.....	16
Section 21.	Defeasance and Payment of Bonds.....	17
Section 22.	Registered Form.....	17
Section 23.	Ordinance to Constitute a Contract.....	18
Section 24.	Publication.....	18
Section 25.	Superseder and Effective Date.....	19

NOW, THEREFORE, BE It Ordained by the President and Board of Trustees of the Village of Sherman, Sangamon County, Illinois, as follows:

Section 1. Definitions.

The following words and terms used in this Ordinance shall have the following meanings unless the context or use clearly indicates another or different meaning is intended:

(a) “Applicable Acts” means collectively, the Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, the Omnibus Bond Acts, 5 ILCS 70/8, together with and supplemented by and, in all cases of conflict, expressly superseded by, the powers of the Village as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois.

(b) “Board” means the Board of Trustees of the Village.

(c) “Bond and Interest Account” means the Bond and Interest Account established in Section 13 of this Ordinance.

(d) “Bond Register” means the books of the Village kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

(e) “Bond Registrar” means the United Community Bank, Sherman, Illinois, or a successor thereto or a successor designated as bond registrar and paying agent for the Bonds.

(f) “Bond” or “Bonds” means one or more, as applicable, of the General Obligation Bonds, Series 2021 authorized to be issued by this Ordinance.

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

(h) “Officer” means the President, Village Clerk, or Village Treasurer of the Village.

(i) “Ordinance” means this Ordinance passed by the Board.

(j) “Permitted Investments” means investments authorized for the investment of public funds under the Public Funds Investment Act, 30 ILCS 235/0.01 *et seq.*

(k) “Prior Project” means the project financed with the Refunded Bonds.

(l) “Purchase Agreement” means the contract for the purchase of the Bonds between the Village and the Purchaser.

(m) “Purchaser” means United Community Bank, Sherman, Illinois, the Purchaser with respect to the Bonds.

(n) “Tax Compliance Agreement” means the Village’s Tax Compliance Certificate and Agreement provided by the Village in connection with issuance of the Bonds, to be dated and delivered by the Village on the date of issuance of the Bonds.

Section 2. Incorporation of Preambles.

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

Section 3. Determination to Issue Bonds.

It is necessary and in the best interests of the Village and for the public health, welfare, safety, and convenience, to provide for the payment of costs of the Project and Refunding, the costs of expenses incidental thereto and costs of issuance of the Bonds. The Bonds shall be issued pursuant to the Applicable Acts and in compliance with this Ordinance.

Section 4. Bond Details.

For the purpose of providing for the payment of costs of the Project and the Refunding, and for the payment of the costs of all expenses incidental thereto, as aforesaid, the Bonds shall be issued in the aggregate principal amount of \$3,730,000 and shall be designated "General Obligation Bonds, Series 2021".

The Bonds shall be dated as of their delivery date, shall bear the date of authentication thereof, and shall be in fully registered form. The Bonds shall be in denominations of \$1,000 and authorized integral multiples thereof and shall be numbered consecutively in such reasonable fashion as may be established by the Bond Registrar. The Bonds shall bear interest payable November 1, 2021 and semiannually thereafter on May 1 and November 1 of each year, and shall mature serially on November 1 of each of the following years bearing interest at the rates per annum and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2021	\$207,000	1.08%
2022	\$209,000	1.18%
2023	\$212,000	1.28%
2024	\$214,000	1.38%
2025	\$217,000	1.48%
2026	\$221,000	1.58%
2027	\$224,000	1.68%
2028	\$228,000	1.80%
2029	\$232,000	1.90%
2030	\$236,000	2.00%
2031	\$241,000	2.10%
2032	\$246,000	2.20%
2033	\$252,000	2.30%
2034	\$257,000	2.40%
2035	\$264,000	2.50%
2036	\$270,000	2.60%

Each Bond shall bear interest from its date, or from the most recent interest payment date to which interest has been paid or duly provided for, computed based on a 360-day year consisting of twelve 30-day months, and payable in lawful money of the United States of America. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Bond Registrar. Interest on the Bonds shall be payable on each interest payment date to the registered owners of record appearing on the registration books maintained by the Bond Registrar on behalf of the Village for such purpose at the principal office of the Bond Registrar as of the close of business on the fifteenth (15th) day of the calendar month next preceding the applicable interest payment date. Interest on the Bonds shall be paid by check or draft mailed to such registered owners at their addresses appearing on the registration books. The Bond Registrar shall not be required to transfer or exchange any Bond during a period commencing the fifteenth (15th) day of the month next preceding each interest payment date and ending on such interest date or during a period of fifteen (15) days next preceding the mailing of a notice of redemption of any Bond which could designate all or a part of such Bond for redemption.

Section 5. Execution; Authentication.

The Bonds shall be executed on behalf of the Village by the manual or facsimile signature of its President and attested by the manual or facsimile signature of its Village Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any Officer whose signature shall appear on any Bond shall cease to be such Officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such Officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed 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 the Bonds issued hereunder.

Section 6. Registration of Bonds; Persons Treated as Owners.

The Village shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal office of the Bond Registrar, which is hereby constituted and appointed the registrar of the Village. The Village is authorized to prepare, and the Bond Registrar or such other agent as the Village may designate shall keep custody of, multiple bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his attorney duly

authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity for a like aggregate principal amount.

Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity. The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date, and deliver such Bond; provided, however, the principal amount of Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which has been paid.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

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

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

Section 7. General Obligations.

The full faith and credit of the Village 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 Village, and the Village shall be obligated to levy ad valorem taxes upon all the taxable property in the Village for the payment of the Bonds and the interest thereon, without limitation as to rate or amount.

Section 8. Redemption Prior to Maturity.

The Bonds are subject to redemption as a whole or in part on any date at a redemption price of par plus accrued interest to the redemption date.

In the event of the redemption of less than all the Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be \$1,000 or an integral multiple thereof and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each \$1,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$1,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal \$1,000 for each number assigned to it and so selected.

Notice of the redemption of Bonds shall be given at least thirty (30) days prior to the date fixed for 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 on deposit with the Village 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.

All notices of redemption shall include at least the information as follows:

- (1) the redemption date;
- (2) the redemption price;
- (3) if less than all of the Bonds of a given maturity are to be redeemed, the identification and, in the case of partial redemption of the Bonds, the respective principal amounts to the Bonds to be redeemed;
- (4) a statement that on the redemption date the redemption price will become due and payable upon such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from such date; and
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Village.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

Section 9. Purchase Agreement

The Purchase Agreement by and between the Village and the Purchaser, in substantially the form thereof presented before this meeting of the Corporate Authorities, shall be and is hereby approved. In connection with the sale of the Bonds, the President is authorized and directed to execute and deliver a Purchase Agreement in substantially the form of the Purchase Agreement presented at this meeting, together with such changes and completions as may be approved by the President, subject to the limitations of this Ordinance. The execution of the Purchase Agreement shall constitute conclusive evidence of the approval of such changes and completions. All things done by the Village's President, Village Clerk, Treasurer and Village Attorney in connection with the issuance and sale of the Bonds shall be and are hereby ratified, confirmed and approved. The President, Village Clerk, Treasurer, Village Attorney and other officials of the Village are hereby authorized and directed to do and perform, or cause to be done or performed for or on behalf of the Village, each and every thing necessary for the issuance of the Bonds, including the proper execution, delivery and performance of the Purchase Agreement and related instruments and certificates by the Village and the purchase by and delivery of the Bonds to or at the direction of the Purchaser.

Section 10. 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, the blanks to be appropriately completed when the Bonds are printed, as follows:

(Form of Bond)

REGISTERED NO. _____

REGISTERED \$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF SANGAMON
VILLAGE OF SHERMAN, ILLINOIS
GENERAL OBLIGATION BOND
SERIES 2021

Interest Rate:
_____ %

Maturity Date:
November 1, _____

Dated Date:

Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Village of Sherman, Sangamon County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the "Village"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above, such interest to be payable in lawful money of the United States of America on May 1 and November 1 of each year, commencing November 1, 2021, until the Maturity Date, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. Payment of interest shall be made by check or draft mailed to the registered owner of record hereof as of the 15th day of the month next preceding such interest payment date, at the address of such owner appearing on the registration books maintained for such purpose by United Community Bank, Sherman, Illinois, as Bond Registrar and Paying Agent or its successor (the "Bond Registrar"). This Bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Bond Registrar. This Bond is payable from ad valorem taxes levied against all the taxable property in the Village without limitation as to rate or amount and the full faith and credit of the Village are irrevocably pledged for the punctual payment of the principal of, and interest on this Bond according to its terms.

[2] This Bond is one of a series of bonds (the "Bonds") issued in the aggregate principal amount of \$3,730,000 by the Village which are all of like tenor, except as to maturity and interest rate, all as described and defined in the ordinance authorizing the Bonds (the "Ordinance") duly passed by the Board of Trustees of the Village (the "Board") and approved by the President thereof, in all respects as by law required. The Bonds are issued pursuant to and in all respects in compliance with the Illinois Municipal Code as supplemented and amended, 65 ILCS 5/1-1-1 *et seq.*, the Local Government Debt Reform Act, as supplemented and amended, 30 ILCS 350/1 *et seq.*, the Omnibus Bond Acts, 5 ILCS 70/8, together with and supplemented by and, in all cases of conflict, expressly superseded by, the powers of the Village as a home rule unit under Section 6 of Article VII of the Constitution of 1970 of the State of Illinois, and in compliance with the Ordinance.

[3] The Bonds are issued in fully registered form in the denominations of \$1,000 and authorized integral multiples thereof. This Bond may be exchanged at the principal office of the Bond Registrar, for a like

aggregate principal amount of Bonds of the same maturity and interest rate of authorized denominations upon the terms set forth in the Ordinance.

[4] The Bonds are subject to redemption as a whole or in part on any date at a redemption price of par plus accrued interest to the redemption date.

[5] In the event of the redemption of less than all the Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be \$1,000 or an integral multiple thereof and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each \$1,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$1,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal \$1,000 for each number assigned to it and so selected.

[6] Notice of the redemption of Bonds shall be given by certified or registered mail at least thirty (30) 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 interest on such Bonds or portions thereof shall cease to accrue and become payable from and after the redemption date. If there shall be drawn for redemption less than all of a Bond, the Village 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 \$1,000 or any authorized integral multiple thereof.

[7] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Sherman, Illinois, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination(s) of the same maturity, interest rate and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[8] The Bond Registrar shall not be required to transfer or exchange any Bond during the period of fifteen days next preceding mailing of a notice of redemption of any Bond or to transfer or exchange any Bond all or a portion of which has been selected for redemption.

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

[10] The Village and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes; and the Village and the Bond Registrar shall not be affected by any notice to the contrary.

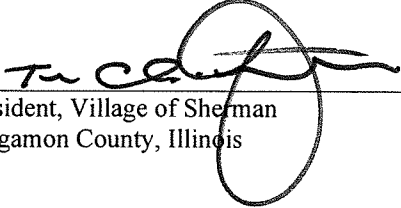
[11] The Village has designated the Bonds "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

[12] It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Village, represented by the Bonds, and including all other indebtedness of the Village, howsoever evidenced or incurred, does not exceed any constitutional or statutory limitation; and that provision has


been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Village sufficient, with other funds set aside by the Village, to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

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

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



President, Village of Sherman
Sangamon County, Illinois

(SEAL)


Village Clerk, Village of Sherman
Sangamon County, Illinois

CERTIFICATE OF AUTHENTICATION

This Bond is one of the General Obligation Bonds, Series 2021 described in the within mentioned Ordinance.

Date: _____

By: _____
Authorized Officer

Bond Registrar and Paying Agent: United Community Bank,
Sherman, Illinois

(ASSIGNMENT)

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature Guaranteed: _____

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

Section 11. Tax Levy.

For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due and to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property within the Village, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose in an amount not to exceed the sums set forth in the following table; and there is hereby levied on all of the taxable property in the Village, in addition to all other taxes, the following direct annual taxes, to-wit:

<u>For the Tax Levy Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
2020	\$289,252
2021	\$275,656
2022	\$276,066
2023	\$275,232
2024	\$275,150
2025	\$275,798
2026	\$275,171
2027	\$275,237
2028	\$274,981
2029	\$274,417
2030	\$274,527
2031	\$274,290
2032	\$274,686
2033	\$273,704
2034	\$274,320
2035	\$273,510

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

The Village covenants and agrees with the Purchaser and the holders of the Bonds that so long as any of the Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the foregoing tax and will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended, and collected as provided herein and deposited into the Bond and Interest Account.

Section 12. Filing with County Clerk.

Promptly, as soon as this Ordinance becomes effective, a copy hereof, certified by the Village Clerk of the Village, shall be filed with the County Clerk of The County of Sangamon, Illinois; and said County Clerk shall in and for each of the years 2020 to 2035, inclusive, ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in each of said years; and said County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the Village for general

corporate purposes of the Village; and in said years such annual tax shall be levied and collected by and for and on behalf of the Village in like manner as taxes for general corporate purposes for said years are levied and collected and in addition to and in excess of all other taxes.

Section 13. Bond and Interest Account.

(a) There shall be created the “2021 General Obligation Bond and Interest Account” (the “Bond and Interest Account”), which shall be the account for the payment of principal and interest on the Bonds and shall be administered as a bona fide debt service fund under the Code. Taxes received for the payment of the Bonds are hereby appropriated and shall be deposited into the Bond and Interest Account and used solely and only for the purpose of paying the Bonds when and as the same come due. All such moneys and all other moneys to be used for the payment of the principal of and interest on the Bonds shall be deposited in the Bond and Interest Account.

(b) The Bond Registrar and the Village Treasurer are authorized to establish any funds, accounts and accounting codes as needed to account for proper payment of expenses and receipt of taxes or monies related to the Bond and Interest Account.

(c) The tax receipts derived from the taxes levied pursuant to this Ordinance and the moneys deposited or to be deposited into the Bond and Interest Account are pledged as security for the payment of the principal of and interest on the Bonds. The pledge is made pursuant to Section 13 of the Local Government Debt Reform Act and shall be valid and binding from the date of issuance of the Bonds. All such tax receipts and the moneys held in the Bond and Interest Account shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Village irrespective of whether such parties have notice thereof.

Section 14. Sale of Bonds.

The Bonds shall be sold to the Purchaser. The Officers and other officials of the Village are authorized and directed to do and perform, or cause to be done or performed for or on behalf of the Village each and every thing necessary for the issuance and sale of the Bonds, including the proper execution and delivery of the Bonds and the Purchase Agreement, with such changes and completions as the President may approve within the parameters established in this Ordinance. The execution and delivery of the Bonds and the Purchase Agreement shall constitute conclusive evidence that such documents, in final form, have been approved in accordance with this Section.

Section 15. Use of Bond Proceeds and Appropriations.

The proceeds derived from the sale of the Bonds, together with any funds in the 2016 Bond and Interest Account previously established for the Refunded Bonds, are hereby appropriated and shall be used as follows:

(a) The sum necessary to pay costs of issuing the Bonds shall be disbursed at closing to pay expenses of issuance of the Bonds.

(b) The Corporate Authorities authorize and direct the refunding of the Refunded Bonds on any date within 90 days of the issuance of the Bonds and the sum necessary to refund

the Refunded Bonds shall be paid to the owners of the Refunded Bond to refund the Refunded Bonds;

(c) The balance shall be deposited by the Treasurer into the “2021 Project Account” (referred to as the “Project Account”) which is hereby created, which funds shall be kept separate and apart from all other funds of the Village, and such funds shall be held and used to pay costs and expenses incident to the Project, including all expenses incurred by the Village in the authorization, sale and issuance of the Bonds, and pending expenditure of the funds so deposited, such funds shall be held for the benefit of the Village for the purposes herein provided and for the benefit of the owners of the Bonds.

Section 16. Disbursements from Project Account

The moneys in the Project Account are appropriated for the purpose of paying costs of the Project and for the payment of costs of issuance of the Bonds, but may hereafter be reappropriated if such reappropriation and use is permitted by Illinois law and will not adversely affect the exclusion from gross income for Federal income tax purposes of interest on the Bonds.

Money in the Project Account shall be withdrawn by the Village Treasurer from time to time as needed to (i) pay costs of issuing the Bonds, (ii) pay costs for the acquisition and construction of the Project approved by the Corporate Authorities, (iii) transfer moneys from the Project Account to the Bond and Interest Account to pay interest on the Bonds, or (iv) transfer moneys from the Project Account to the Rebate Account to provide moneys needed to make any payment required under Section 148(f) of the Code. Within 60 days after completion of the Project and after all costs have been paid in connection with the acquisition and construction thereof, if at that time any money remains in the Project Account, the same shall be credited to the Bond and Interest Account.

Funds on deposit in the Project Account may be invested by the Village Treasurer in Permitted Investments, provided, such investments shall be scheduled to come due, are redeemable or otherwise funds are available, before needed to pay costs of the Project.

Section 17. Tax Covenants and Representations.

The Corporate Authorities covenant, represent and certify on behalf of the Village as follows:

(a) The Village will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting, or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for Federal income tax purposes.

(b) The Village acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Bonds, under present rules, the Village may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

(c) The Project and Prior Project are not expected to be sold or otherwise disposed of in whole or in part prior to the last maturity of the Bonds.

(d) All the proceeds of sale of and investment earnings on the Bonds are needed for paying the costs of the Project and Refunding, including expenses incidental thereto and to the issuance of the Bonds.

(e) The Village will receive the agreed upon purchase price plus accrued interest, if any, from the sale of the Bonds and that such accrued interest received upon the sale of the Bonds will be deposited in the Bond and Interest Account and applied to the first interest due thereon.

(f) The Village expects that all the money derived from the sale of the Bonds and deposited in the Project Account, which is the account from which the cost of the Project is to be paid, and all of the investment earnings on said money, will be expended for the purpose of paying costs of the Project within three (3) years following the date of issue of the Bonds.

(g) Work on the Project is expected to proceed with due diligence to completion.

(h) The Village has incurred, or within six (6) months after the delivery of the Bonds expects to incur, a substantial binding obligation to a third party to expend at least 5 percent of the Project Account on the Project. An obligation is not binding if it is subject to contingencies within the Village's or a related party's control.

(i) Except for the Bond and Interest Account, the Village has not created or established and will not create or establish any sinking funds, reserve fund or any other similar fund to provide for the payment of the Bonds. The Bond and Interest Account has been established and will be funded in a manner primarily to achieve proper matching of revenues and debt service, and will be depleted at least annually to an amount not in excess of the greater of (i) the earnings on the Bond and Interest Account for the immediately preceding bond year or (ii) 1/12th of the particular annual debt service on the Bonds for the immediately preceding year. Money deposited in the Bond and Interest Account will be spent within a 13 month period beginning on the date of deposit, and investment earnings in the Bond and Interest Account will be spent or withdrawn from the Bond and Interest Account within a one year period beginning the date of receipt.

(j) The foregoing statements of expectation are based upon the following facts and estimates:

(i) Amounts shown as received will be received pursuant to the Purchase Agreement.

(ii) Amounts paid or to be paid into various funds and accounts have been directed to be paid into said funds and accounts by authority hereof or are expected to be so directed to be paid by further proceedings.

(k) To the best of the knowledge and belief of the Village, there are no facts, estimates or circumstances that would materially change the conclusions and representations set out in this Section, and the expectations set out in this Section are reasonable.

(l) The Village has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as a bond issuer which may not certify bond issues under Treas. Reg. §1.148-2.

(m) 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.

(n) The Village reserves the right to use or invest moneys in connection with the Bonds in any manner, notwithstanding the covenants herein, provided it shall first have received an opinion from an attorney or a firm of attorneys of nationally recognized standing in matters pertaining to tax-exempt bonds to the effect that use or investment of such moneys as contemplated will not result in loss of the status of interest paid and received on the Bonds as not includible in the gross income of the owners thereof under the Code for federal income tax purposes except to the extent that such interest will be taken into account in computing the environmental tax imposed on certain corporations and in computing the “branch profits tax” imposed on certain foreign corporations.

(o) In furtherance of the foregoing provisions, but without limiting their generality, the Board approves execution and delivery of the Tax Compliance Agreement on behalf of the Village and confirms the previously approved written procedures referenced therein, and further agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants, and assurances contained in certificates or agreements as may be prepared by counsel approving the Bonds; (c) to consult with counsel and to comply with such advice as may be given; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

Section 18. Designation as Qualified Tax-Exempt Obligations.

The Corporate Authorities recognize that Section 265(b)(3) of the Code provides that a “qualified tax-exempt obligation” as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The Corporate Authorities on behalf of the Village hereby designate each of the Bonds as may be from time to time outstanding for purposes of Section 265(b)(3) of the Code as a “qualified tax-exempt obligation” as provided therein. In support of such designation, the Corporate Authorities covenant, represent and certify as follows:

- (a) none of the Bonds are “private activity bonds” as defined in Section 141(a) of the Code;
- (b) including the Bonds, the Village (including any entities subordinate thereto) has not issued to date and does not reasonably expect to issue qualified tax-exempt obligations (other than private activity bonds) during the calendar year of issuance of the Bonds in an amount in excess of \$10,000,000; and

- (c) including the Bonds, not more than \$10,000,000 of obligations issued by the Village (including any entities subordinate thereto) during the calendar year of issuance of the Bonds have been designated to date or will be designated by the Village for purposes of said Section 265(b)(3).

Section 19. Bonds Not Private Activity Bonds.

None of the Bonds are a “private activity bond” as defined in Section 141(a) of the Code and in support thereof, the Village 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;
- (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 Project 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 Project 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 20. Arbitrage Rebate.

The Village recognizes that the provisions of Section 148 of the Code require a rebate to the United States in certain circumstances. An exemption to rebate requirements appears at Section 148(f)(4)(d) of the Code and applies to the Bonds. No rebate is required or planned by the Village. In support of this conclusion, the Village covenants, represents and certifies as follows:

- (a) The Village is a governmental unit with general taxing powers.
- (b) No Bond in this issue is a “private activity bond” as defined in Section 141(a) of the Code.
- (c) All the net proceeds of the Bonds are to be used for the local government activities of the Village described in this Ordinance (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Village).
- (d) The aggregate face amount of all tax-exempt obligations (other than “private activity bonds” as defined in the Code) issued by the Village (and all subordinate entities thereof) during the calendar year of issuance of the Bonds is not reasonably expected to exceed \$5,000,000.

If the Village 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, the Village shall establish a special account, designated as the “Rebate Account” and such income shall be deposited into the Rebate Account. Moneys in the Rebate Account 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.

Section 21. Defeasance and Payment of Bonds.

(a) If the Village shall pay or cause to be paid to the registered owners of the Bonds, the principal, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then the pledge of taxes, securities and funds hereby pledged and the covenants, agreements and other obligations of the Village to the registered owners and the beneficial owners of the Bonds shall be discharged and satisfied.

(b) Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning of paragraph (a) of this Section if (1) in case any such Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) Federal Obligations as defined in paragraph (c) of this Section, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of, redemption premium, if any, and interest due and to become due on said Bonds on and prior to the applicable redemption date or maturity date thereof.

(c) As used in this Section, the term "Federal Obligations" means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, or (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) of this paragraph, which are stripped pursuant to programs of the Department of the Treasury of the United States of America.

Section 22. Registered Form.

The Village recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be tax-exempt under laws in force at the time the Bonds are delivered. In this connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

The Village covenants that it will maintain at the designated office of the Bond Registrar a place where Bonds may be presented for payment and registration of transfer or exchange and that it shall require that the Bond Registrar maintain proper registration books and perform the other duties and obligations imposed upon it by this Ordinance in a manner consistent with the standards, customs, and practices of the municipal securities business.

The Bond Registrar, shall signify acceptance of the duties and obligations imposed upon the Bond Registrar by this Ordinance, and any successor Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance, by executing the certificate of authentication on any Bond, and by such execution the Bond Registrar shall be deemed to have certified to the Village the acceptance of such duties and obligations not only with respect to the Bond so authenticated but with respect to all the Bonds. The Bond Registrar is the agent of the Village and shall not be liable in connection with the performance of his duties

except for his own negligence or default. The Bond Registrar shall, however, be responsible for any representation in the certificate of authentication on the Bonds.

The Village may appoint a successor Bond Registrar at any time. In case at any time the Bond Registrar shall resign or shall be removed or shall become incapable of acting, the Village covenants and agrees that it will thereupon appoint a successor Bond Registrar. The Village shall mail notice of any such appointment made by it to each registered owner of Bonds within twenty days after such appointment. Any successor Bond Registrar appointed under the provisions of this Section shall be a bank, trust company or national banking association maintaining its principal corporate trust office in the State of Illinois, St. Louis, Missouri, or the Borough of Manhattan, City and State of New York.

Section 23. Ordinance to Constitute a Contract.

The provisions of this Ordinance shall constitute a contract between the Village and the registered owners of the bonds. Any pledge made in this Ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Village shall be for the equal benefit, protection, and security of the owners of any and all of the Bonds. All the Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Ordinance. This Ordinance shall constitute full authority for the issuance of the Bonds and to the extent that the provisions of this Ordinance conflict with the provisions of any other ordinance or resolution of the Village, the provisions of this Ordinance shall control. If any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 24. Publication.

The Village Clerk is hereby authorized and directed to publish this Ordinance in pamphlet form and to file copies thereof for public inspection in the Village Clerk's office.

Section 25. Superseder and Effective Date.

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

* * *


AYES: 6 AYES WITH PRESIDENT VOTING TO APPROVE

NAYS: 0

ABSENT: 0

ADOPTED: February 16, 2021


APPROVED: February 16, 2021


President, Village of Sherman,
Sangamon County, Illinois

Recorded in Village Records: February 16, 2021

(SEAL)

Attest:


Village Clerk, Village of Sherman,
Sangamon County, Illinois

