

The Township, the Seller, the Certificate Registrar and the Paying Agent may deem and treat the person in whose name any Certificate shall be registered upon the registration books as the absolute owner of such Certificate, whether such Certificate 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 Certificate to the extent of the sum or sums so paid, and neither the Township nor the Certificate Registrar or the Paying Agent shall be affected by any notice to the contrary.

Section 6. Certificate Registrar and Paying Agent. The Township shall at all times retain a Certificate Registrar and Paying Agent with respect to the Certificates and shall cause to be maintained at the office of the Certificate Registrar a place where Certificates may be presented for registration of transfer or exchange, that it will maintain at the designated office of the Paying Agent a place where Certificates may be presented for payment, that it shall require that the Certificate Registrar maintain proper registration books and that it shall require the Certificate Registrar and Paying Agent to perform the other duties and obligations imposed upon them by this ordinance in a manner consistent with applicable standards, customs and practices.

The Certificate Registrar and Paying Agent shall signify their acceptances of the duties and obligations imposed upon them by this ordinance. The Certificate Registrar by executing the certificate of authentication on any Certificate shall be deemed to have certified that it has all requisite power to accept, and has accepted, including as Paying Agent, in the case of the Certificate Registrar and Paying Agent being the same entity or financial institution, such duties and obligations not only with respect to the Certificate so authenticated but with respect to all of the Certificates.

Section 7. Direct Obligations and Debt. The Installment Purchase Agreement and the related Certificates shall be direct limited tax general obligations and a debt of the Township, and the payment when due of the principal thereof and the interest thereon shall be payable from general funds on hand or to be on hand without any requirement of a prior appropriation therefor, under Section 17 of the Local Government Debt Reform Act, or from any other funds lawfully available to the Township for the payment of such obligations and debt. Under Section 13 of the Local Government Debt Reform Act, the Township pledges to the debt service payments under the Installment Purchase Agreement, all general funds and any other special or otherwise legally available funds therefor on hand and to be received from time to time, subject to any prior pledge, and for purposes of the foregoing and this ordinance "**General Funds**" means all moneys and investments thereof constituting all or a part of the Township's fund (howsoever styled), but such term shall not restrict or prohibit the use of any other special or otherwise legally available funds therefor.

Section 8. Form of Certificates. The Certificates shall be issued in fully registered form conforming to the industry customs and practices of printing, including part on the front and part on the reverse of the certificates, as appropriate, the blanks to be appropriately completed when the Certificates are delivered; and the Certificates shall be prepared in compliance with the National Standard Specifications for Fully Registered Municipal Securities prepared by the American National Standards Institute and, with appropriate insertions and modifications, shall be in substantially the form thereof in Exhibit A hereto. In lieu thereof, Certificates may be issued in typewritten form, conforming as nearly as practicable to the foregoing. Notwithstanding any provision of this ordinance to the contrary, in lieu of issuing Certificates in serial form the Certificates may be issued as a single installment or term instrument in a principal amount equal to the aggregate principal amount of the Certificates actually issued with a final maturity conforming to Section 2, payable annually as to principal and semiannually as to interest (subject to adjustment in an Authenticating Order or other supplemental proceedings), with an appropriate payment schedule therein or thereon or annexed, and otherwise substantially complying with this ordinance. The form for the Certificates set forth below shall be appropriately modified with respect to any Certificate in installment form, the sufficiency of which shall be conclusively approved by the delivery of nationally recognized bond counsel's ("**Bond Counsel**") approving opinion upon issuance thereof. Certificates in serial or installment form may be interchanged from time to time, in whole or in part.

Section 9. No Levy and Extension of Taxes. For the purpose of providing the money required to pay the installment payments on the Installment Purchase Agreement, and debt service on the related Certificates, when and as the same falls due and to pay and discharge the principal thereof as the same shall mature, there shall not be levied upon taxable property in the Township in each year while the Installment Purchase Agreement or any of the Certificates shall be outstanding, any direct annual tax sufficient for that purpose. **The Installment Purchase Agreement and the related Certificates are payable solely and only from General Funds (or special or other legally available funds therefor) as described herein, without any requirement of a prior appropriation therefor, as secured by General Funds (including special or other legally available funds therefor), to pay debt service on the Installment Purchase Agreement and the related Certificates. Any payment on the Certificates shall effect a payment at the time, in the manner and with the same effect on the Installment Purchase Agreement**

Each Certificate shall evidence the Township's debt in connection with a proportionate undivided interest in the right to receive installment payments by the Township in connection with the Installment Purchase Agreement. The Certificates are payable solely from such installment payments as, when and if the same are received by the Paying Agent, which revenues are to be held in trust by the Paying Agent for such purposes in the manner, and the amounts payable under the Installment Purchase Agreement and the related Certificates constitute a debt and limited general obligation of the Township payable from General Funds (or special or other legally available funds therefor), without any requirement of a prior appropriation therefor, as secured by General Funds (including special or other legally available funds therefor).

Section 10. Debt Service Account etc. Moneys constituting general funds and otherwise legally available special funds are to be set aside for the sole purpose of paying principal of and interest on the Installment Purchase Agreement and the related Certificates when and as the same come due. All of such moneys, and all other moneys to be used for the payment of the principal of and interest on the Installment Purchase Agreement, shall be deposited by the Township's Treasurer, without any other required authority than this ordinance in the **"Debt Service Account"** (the **"Debt Service Account"**), which is hereby established by the Township as a special fund of the Township and shall be administered as a bona fide debt service fund under the Internal Revenue Code of 1986, as amended. The Township shall make deposits into the Debt Service Account on the first day of each month following the issuance of any Certificates equal to a prorata amount (not less than 1/6 as to interest and 1/6 as to principal) of the principal and interest due on the next succeeding interest and/or principal payment date. At the time of issuance of the Certificates any accrued interest received upon the issuance of the Certificates shall be deposited in the Debt Service Account and applied to pay interest on the Installment Purchase Agreement and the related Certificates. The Township Supervisor, without any further authority than this ordinance, shall timely deposit to and withdraw funds from the Debt Service Account and pay such funds over to the Paying Agent to pay debt service on the Installment Purchase Agreement and the related Certificates.

There shall be and there are hereby created and established separate accounts of the Township to be designated severally the **"Proceeds Account"**, **"Debt Service Account"**, **"Depreciation Account"** and **"Surplus Account"**, into each of which such separate accounts there shall be paid, after the Certificates are issued hereunder, the initial amounts specified in the Government's letter of conditions related to the Certificates on the first business day of each month without any further official action or direction and in the order in which such Accounts are hereinafter mentioned, all moneys hereunder pledged to pay the Certificates, in accordance with the following provisions:

(a) **Proceeds Account.** There shall be paid into the Proceeds Account (created in subsection (i)(A) and Section 11 below) all grants, connection fees and other amounts as and when received and advanced in connection with the Certificates to be applied to the acquisition, construction and installation of the Project, as more fully described and referred to in the preambles hereto.

(b) **Debt Service Account.** There shall be paid into the Debt Service Account on the last business day next preceding the payment date in each month, after the required payment has been determined, the interest becoming due on the next succeeding payment date on all outstanding Certificates authorized to be issued under the terms of this ordinance, and there shall be paid into the Debt Service Account on the

payment date in each month not less than interest becoming due on the next succeeding payment date of all of the Certificates issued under the terms of this ordinance until there shall have been accumulated in the Debt Service Account on or before the day preceding such payment date or maturity date of interest or principal, or both, an amount sufficient to pay such principal or interest, or both, of all Certificates heretofore issued or issued hereunder and including, as applicable, the maturing principal or interest, or both.

In computing of the interest and principal requirements of the Certificates herein authorized and to be set aside each month in the Debt Service Account for the payment thereof, the amount shall be so determined that sufficient funds will be set aside in the Debt Service Account and be available for the prompt payment of such principal of and interest on the Certificates herein authorized as the same will become due.

Payments into the Debt Service Account may be suspended in any fiscal year at such time as there shall have been paid into such Account sufficient moneys to pay the total principal and interest for such pertinent fiscal year, but such payments shall again be resumed at the beginning of the new fiscal year. All moneys in such Account shall be used only for the purpose of paying interest and principal on the Certificates hereby authorized, as the same shall become due.

At the time of initial delivery of the Certificates, or as needed, there may be transferred from the Proceeds Account to the Debt Service Account a sum sufficient to pay the interest estimated to accrue on the Certificates during the estimated time necessary to complete the hereinabove described construction, extension and improvement of the Project.

(c) Depreciation Account. There shall be paid into the Depreciation Account the amounts from time to time provided by resolution of the Corporate Authorities. The moneys in such Depreciation Account shall be used to the extent necessary to make any needful repairs or replacements to the Project and, although not reasonably expected, to prevent or remedy a default in the payment of the interest on or principal of the Certificates.

(d) Surplus Account. After all the required payments into the accounts hereinabove described have been made, including the payments of any deficiencies, and when there is on deposit in the above-described Reserve Account and Depreciation Account the full maximum amount required to be accumulated in such Reserve Account and Depreciation Account, then all moneys remaining shall be deposited into the Surplus Account and may be used for any general corporate purpose of the Township.

(e) Investments. The moneys in any of the Accounts created by subparagraphs (a) through (d), as hereinabove created and set forth in this section may by resolution adopted by the Township be invested from time to time by the Treasurer of the Township in interest bearing Certificates or other direct and general obligations of the United States Government maturing in not more than ten (10) years after the purchase date thereof and in certificates of deposit or time deposits constituting direct obligations of any savings and loan association or of any bank as defined in the Illinois Banking Act to the extent such certificates or deposits are insured by the Federal Deposit Insurance Corporation or its successors and mature in not more than ten (10) years after the purchase date thereof, and such investments shall be sold from time to time by such Treasurer pursuant to a resolution of the Corporate Authorities as funds may be needed for the purpose for which such Accounts have been created. All accrued interest received from any such investments shall be considered and treated as general income and revenues of the Township.

(f) Moneys in each of the several Accounts above described shall be credited and accounted for separate and apart from all other funds and moneys of the Township and shall be deposited in a duly designated depository, which bank is located and doing business in the State of Illinois, and whose deposits are insured under the provisions of the Federal Deposit Insurance Act, or its successor.

(g) It is hereby covenanted and agreed that the pledged revenues are to be paid into the various special Accounts hereinabove established and created in the order in which such Accounts have been listed, and if within any period of time the revenues are insufficient to place the required amounts in any of such Accounts, the

deficiencies shall be made up during the following period or periods after payments into all the Accounts enjoying a prior claim of the pledged revenues.

(h) The Township hereby covenants and agrees with the owners of the Certificates hereby authorized that so long as the Certificates or any of them remain outstanding and unpaid, either as to principal or interest, that any owner of a Certificate or Certificates issued hereunder may, either in law or in equity, by suit, action, mandamus or other proceedings enforce or compel performance by the officials of the Township of all duties required by law and by this ordinance, including the deposit and segregation of the pledged revenues to the respective accounts under this ordinance and in the time and manner and with the effect as herein provided.

(i) The sale of the Certificates herein authorized to the purchaser or purchasers thereof, at a price equal to the par value thereof and bearing interest at the rate or rates per annum herein provided is hereby approved and confirmed, and the Certificates shall be delivered to the purchaser or purchasers thereof.

(A) The proceeds derived from the sale of the Certificates hereby authorized shall be placed by the Township Supervisor in a special account to be designated the "**Proceeds Account**" which is hereby created (and referred to in subsection (a) above), which funds shall be kept separate and apart from all other funds of the Township and deposited in the bank described in subsection (f) above, which bank be, and is hereby designated as the Depository for the funds of such Proceeds Account. Subject to the last paragraph of this section, such funds shall be held and used to acquire, construct, extend and improve the proposed Project as provided for by this ordinance, and shall be held for the benefit of the owner or owners of the Certificates hereby authorized as their interests may appear, and such funds shall be withdrawn from the Depository from time to time by the Township Supervisor, as Township Treasurer, (i) either to pay or prepay any interim financing or (ii) otherwise only upon submission to such Treasurer of the following (payment or prepayment of any prior Certificates and of interim financing, including particularly as may be provided by any State or federal agency shall not require compliance with (1) and (2) below, and is hereby authorized):

(1) A duplicate of the order signed by the Superintendent and Secretary of the Township stating specifically the purpose for which the order is issued and indicating that the payment for which the order is issued has been approved by the Corporate Authorities; and

(2) Each withdrawal of funds by the Treasurer for payment to a contractor or contractors for work done in connection with the Project shall also be accompanied by (i) a certificate executed by the architect in charge of the work stating the nature of the work completed and the amount due and payable thereon and (ii) a Contract Identification Certificate as provided in the Installment Purchase Agreement.

(B) Within sixty (60) days after completion of the work in accordance with the plans and specifications therefor, hereinabove referred to in this ordinance, and after all construction costs have been paid in connection therewith, the architects shall certify to the Corporate Authorities the fact that the work described herein has been completed according to the plans and specifications therefor, and upon approval of the completion of the work based upon the Project architect's certificate by the Corporate Authorities, and after all the costs have been paid, the Township Supervisor or Township Clerk and, as applicable, architect or engineer, the Township shall execute a certificate and file it with the Corporate Authorities certifying that the work has been completed in accordance with such plans and specifications, that all costs have been paid, and if at any time any funds remain in the Proceeds Account the same shall be transmitted to the Treasurer of the Township and be by the Treasurer deposited in the Debt Service Account to be established in the manner set forth in subsection (b) hereof and be used to redeem and prepay Certificates issued under the terms of this ordinance to the nearest \$0.01 and any excess funds then remaining shall be held in such account to pay the principal of interest on the Certificates as they mature and come due or other qualifying costs approved in writing by Bond Counsel as qualifying..

(C) The cost of engineering, legal and financing services, the cost of surveys, designs, soundings, borings, rights of way, inspection charges, and all other necessary and incidental expenses, including interest accruing on the Certificates during the construction period to the extent such interest is not paid from income and revenue, shall be deemed items of cost of construction of the Project in accordance with the plans and specifications

therefor heretofore approved by the Corporate Authorities and on file in the office of the Township Clerk and referred to in the preambles hereof.

(D) From the proceeds of the sale of the Certificates, as long as any interim financing has been paid, prepaid or refunded, funds may be transferred as needed from the Proceeds Account into the Debt Service Account hereinabove created in subsection (b) of this ordinance to pay the interest accruing on the Certificates during the estimated time necessary to complete the acquisition, construction, extension and improvement of the Project as described herein.

Section 11. Certificate Proceeds/Proceeds Account. All of the proceeds of the sale of the Installment Purchase Agreement and the related Certificates (exclusive of accrued interest as provided above in Section 10) shall be deposited by the Township Supervisor, as Treasurer, in the Township Building Proceeds Account (the "**Proceeds Account**") which is established under this ordinance and recognized as a special fund of the Township. Moneys in the Proceeds Account shall be used for the purposes specified in Section 1 and Section (10)(i) of this ordinance, including for the payment of costs of issuance of the Certificates and related to the Installment Purchase Agreement and each Contract Identification Certificate, but may thereafter be reappropriated and used for other lawful purposes of the Township. Before any such appropriation shall be made, there shall be filed with the Township Supervisor an opinion of Bond Counsel to the effect that such reappropriation is in compliance with this ordinance and the Installment Purchase Agreement and will not adversely affect the tax-exempt status of the Certificates under Section 103 of the Internal Revenue Code of 1986, as amended. Funds in the Proceeds Account shall be applied at the times, in the manner and with the effect as set forth in Section 10.

Section 12. Arbitrage Rebate. The Township does not reasonably expect to issue more than \$5,000,000 of tax-exempt obligations in the calendar year of the execution and delivery of the Installment Purchase Agreement and issuance of the Certificates within the meaning of the small issuer exception under Section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended. The Township shall comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, relating to the rebate of certain investment earnings at periodic intervals to the United States of America to the extent that such compliance is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Installment Purchase Agreement and the related Certificates under Section 103 of the Internal Revenue Code of 1986, as amended.

Section 13. Investment Regulations. No investment shall be made of any moneys in the Debt Service Account or the Proceeds Account except in accordance with the tax covenants and other covenants set forth in Section 14 of this ordinance. All income derived from such investments in respect of moneys or securities in any fund or account shall be credited in each case to the fund or account in which such moneys or securities are held. All investments shall comply with the Investment of Public Funds Act (30 ILCS 235/0.01 *et seq.*). Such investments shall be as provided in Sections 10 and 11.

Any moneys in any fund or account that are subject to investment yield restrictions may be invested in United States Treasury Securities, State and Local Government Series, pursuant to the regulations of the United States Treasury Department, Bureau of Public Debt. The Township's Township Supervisor or Superintendent or Secretary or Treasurer and agents designated by such officers are hereby authorized to submit, on behalf of the Township, subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

Section 14. Non-Arbitrage and Tax-Exemption. One purpose of this Section 14 is to set forth various facts regarding the Certificates and to establish the expectations of the Corporate Authorities and the Township as to future events regarding the Installment Purchase Agreement, the Certificates and the use of related proceeds. The certifications and representations made herein and at the time of the issuance of the Certificates are intended, and may be relied upon, as certifications and expectations described in the Income Tax Regulations dealing with arbitrage and rebate (the "**Regulations**"). The covenants and agreements contained herein, and at the time of the issuance of the Certificates, are made for the benefit of the registered owners from time to time of the Installment Purchase Agreement and Certificates. The Corporate Authorities and the Township agree, certify, covenant and represent as follows:

(1) The Installment Purchase Agreement is entered into and the Certificates are being issued to pay Project costs described in Section 1 above, and all of the amounts received from the Installment Purchase Agreement upon the sale of the Certificates, plus all investment earnings thereon (the "Proceeds") are needed for the purpose for which the Installment Purchase Agreement is made and the Certificates are being issued.

(2) The Township will apply proceeds of the Certificates and the Installment Purchase Agreement to the costs in (1) above concurrently with and following the issuance of the Certificates. The Township has incurred Project costs equal to at least 5% of the proceeds of the Certificates, and expects to diligently proceed with the Project within three (3) years of issuance of Certificates, at which time all proceeds of the Certificates are to have been spent. Except for 20% of proceeds of the Certificates for architectural, engineering and financing costs and 5% for other Project costs, no Project costs reimbursable from Certificate proceeds have been incurred prior to the date of adoption of this ordinance. The Township reserves the right to reimburse itself from proceeds of the Certificate for Project costs paid within 60 days prior to the adoption of this ordinance.

(3) The Township has on hand no funds which could legally and practically be used for the purposes hereof which are not pledged, budgeted, earmarked or otherwise necessary to be used for other purposes. Accordingly, no portion of the Proceeds will be used (i) directly or indirectly to replace funds of the Township or any agency, department or division thereof that could be used for such purposes, or (ii) to replace any proceeds of any prior issuance of obligations by the Township. No portion of the Installment Purchase Agreement or the Certificates is being issued solely for the purpose of investing the Proceeds at a Yield higher than the Yield on the Installment Purchase Agreement or the Certificates. For purposes of this Section 14, "Yield" means that yield (that is, the discount rate) which when used in computing the present worth of all payments of principal and interest to be paid on an obligation (using semi-annual compounding on the basis of a 360-day year) produces an amount equal to its issue price, including accrued interest, and the purchase price of the Installment Purchase Agreement and the related Certificates is equal to the first offering price at which more than 10% of the principal amount of each maturity of the Installment Purchase Agreement and the Certificates is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers).

(4) All principal proceeds of the Installment Purchase Agreement and the related Certificates will be deposited in the Proceeds Account for the purposes described in Section 1 above, and any accrued interest and premium received on the delivery of the Installment Purchase Agreement and the related Certificates will be deposited in the Debt Service Account and used to pay the first interest due on the Installment Purchase Agreement and the Certificates. Earnings on investment of moneys in any fund or account will be credited to that fund or account. Costs for the purposes described in Section 1 above, including issuance costs of the Installment Purchase Agreement and the Certificates and related to the Installment Purchase Agreement and this ordinance, will be paid from the Proceeds Account, and no other moneys are expected to be deposited therein. Interest on and principal of the Certificates will be paid from payments with respect to the Installment Purchase Agreement and deposited into the Debt Service Account. No Proceeds will be used more than thirty (30) days after the date of issue of the Certificates for the purpose of paying any principal or interest on any issue of Certificates, notes, certificates or warrants or on any installment Agreement or other obligation of the Township or for the purpose of replacing any funds of the Township used for such purpose.

(5) The Debt Service Account is established to achieve a proper matching of revenues and earnings with debt service on the Installment Purchase Agreement and the Certificates. Other than any amounts held to pay principal of matured Certificates that have not been presented for payment, it is expected that any moneys deposited in the Debt Service Account will be spent within the 12-month period beginning on the date of deposit therein. Any earnings from the investment of amounts in the Debt Service Account will be spent within a one-year period beginning on the date of receipt of such investment earnings. Other than any amounts held to pay the Installment Purchase Agreement and matured

Certificates that have not been presented for payment, it is expected that the Debt Service Account will be depleted at least once a year, except for a reasonable carryover amount not to exceed the greater of (i) one-year's earnings on the investment of moneys in the Debt Service Account, or (ii) in the aggregate, one-twelfth (1/12th) of annual debt service.

(6) Other than the Debt Service Account, no funds or accounts have been or are expected to be established, and no moneys or property have been or are expected to be pledged (no matter where held or the source thereof) which will be available to pay, directly or indirectly, the Installment Purchase Agreement and the related Certificates or restricted so as to give reasonable assurance of their availability for such purposes. No property of any kind is pledged to secure, or is available to pay, obligations of the Township to any credit enhancer or liquidity provider.

(7) (a) All amounts on deposit in the Proceeds Account or the Debt Service Account and all Proceeds, no matter in what funds or accounts deposited ("**Gross Proceeds**"), to the extent not exempted in (b) below, and all amounts in any fund or account pledged directly or indirectly to the payment of the Installment Purchase Agreement and the related Certificates which will be available to pay, directly or indirectly, the Installment Purchase Agreement and the related Certificates or restricted so as to give reasonable assurance of their availability for such purpose contrary to the expectations set forth in (6) above, shall be invested at market prices and at a Yield not in excess of the Yield on the Certificates. The yield on the Installment Purchase Agreement does not exceed the Yield on the Certificates.

(b) The following may be invested without Yield restriction:

(i) amounts invested in obligations described in Section 103(a) of the Internal Revenue Code of 1986, as amended (but not specified private activity bonds as defined in Section 57(a)(5)(C) of the Code), the interest on which is not includable in the gross income of any registered owner thereof for federal income tax purposes ("**Tax-Exempt Obligations**"); and

(ii) amounts deposited in the Debt Service Account that are reasonably expected to be expended within 13 months from the deposit date and have not been on deposit therein for more than 13 months; and

(iii) all amounts for the first 30 days after they become Gross Proceeds (in general the date of deposit in any fund or account securing payments on the Installment Purchase Agreement and the related Certificates); and

(iv) all amounts in the Proceeds Account to pay Project costs for up to three (3) years after the issuance of the Certificates.

(8) Subject to (17) below, once moneys are subject to the Yield limits of (7)(a) above, such moneys remain Yield restricted until they cease to be Gross Proceeds.

(9) As set forth in Section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended, the Township is excepted from the required rebate of arbitrage profits on the Installment Purchase Agreement and the related Certificates because the Township is a governmental unit with general taxing powers, the Installment Purchase Agreement is not and none of the Certificates is, a "**private activity bond**" as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended, all the net proceeds of the Certificates are to be used for the local government activities of the Township, and the aggregate face amount of all tax-exempt obligations (other than "**private activity bonds**" as defined in Internal Revenue Code of 1986, as amended) issued by the Township (and the City of Bloomington, Illinois, the "**City**") and all subordinate entities thereof during the calendar year of issuance thereof, including the Installment Purchase Agreement and the related Certificates, is not reasonably expected to exceed \$5,000,000 under such Section 148(f)(4)(D). The Township has no subordinate entities.