

---

**VILLAGE OF GILBERTS**

**KANE COUNTY**

**STATE OF ILLINOIS**

---

**ORDINANCE NUMBER \_\_\_\_\_**

**AN ORDINANCE PROVIDING FOR ISSUANCE OF NOT TO EXCEED  
\$19,000,000 VILLAGE OF GILBERTS, KANE COUNTY,  
ILLINOIS SPECIAL SERVICE AREA NUMBER NINE  
SPECIAL TAX REFUNDING BONDS, SERIES 2015 (BIG TIMBER PROJECT),  
AND PROVIDING FOR THE LEVY OF A DIRECT  
ANNUAL TAX ON TAXABLE PROPERTY IN SUCH  
SPECIAL SERVICE AREA FOR THE PAYMENT OF  
PRINCIPAL OF AND INTEREST ON SUCH BONDS**

---

**ADOPTED BY THE  
PRESIDENT AND BOARD OF TRUSTEES**

**OF THE  
VILLAGE OF GILBERTS**

**KANE COUNTY**

**STATE OF ILLINOIS**

**The 7th of April, 2015**

---

Published in pamphlet form by authority of the President and Board of Trustees of the Village of Gilberts, Kane County, Illinois this \_\_\_\_ day of April, 2015.

---

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED  
\$19,000,000 VILLAGE OF GILBERTS,  
KANE COUNTY, ILLINOIS  
SPECIAL SERVICE AREA NUMBER NINE  
SPECIAL TAX REFUNDING BONDS, SERIES 2015,  
AND PROVIDING FOR THE LEVY OF A DIRECT  
ANNUAL TAX ON TAXABLE PROPERTY IN SUCH  
SPECIAL SERVICE AREA FOR THE PAYMENT OF  
PRINCIPAL OF AND INTEREST ON SUCH BONDS**

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE  
VILLAGE OF GILBERTS, KANE COUNTY, ILLINOIS, AS FOLLOWS:

Section 1.     Findings and Declarations. It is found and declared by the President and Board of Trustees of the Village of Gilberts, Kane County, Illinois (the “Village”) as follows:

a.       The Village has previously established Special Service Area Number Nine described more fully in Exhibit A, attached to this Ordinance and incorporated herein (the “Special Service Area”) pursuant to Ordinance Number 01-10 adopted on March 20, 2001 (the “Establishing Ordinance”), the provisions of the Special Service Area Tax Law, 35 ILCS 200/27-5 et seq., as amended (the “Special Service Area Act”) and the provisions of Section 7 of Article VII of the 1970 Constitution of the State of Illinois, and has otherwise complied with all other conditions precedent required by the Special Service Area Act.

b.       It was deemed necessary and in the best interests of the Village to provide special services benefiting the Special Service Area consisting of sewer treatment plant, sewer collection and transmission facilities and mains, water wells, water treatment facilities, water storage and distribution facilities and mains, road improvements, site acquisition, engineering, surveying and professional fees and costs, and other eligible costs to serve the Special Service Area (the “Special Services”).

c.       The Village has previously issued \$27,525,000 in aggregate principal amount of its Special Service Area Number Nine, Special Tax Refunding Bonds, Series 2005 (Big Timber Project) (the “Prior Bonds”), of which \$18,090,000 in principal amount remains outstanding, the proceeds of which were used to advance refund \$26,100,000 original principal amount of the Village’s Special Service Area Number Nine Special Tax Bonds, Series 2001 (Big Timber Project) (the “Series 2001 Bonds”). The Series 2001 Bonds have been paid in full. The Series 2001 Bonds were issued to pay and provide funds for a portion of the costs of the Special Services.

d.       In order to achieve debt service savings, it is in the best interests of the Village to current refund all of the Prior Bonds.

e. The Village does not have sufficient funds on hand or available from other sources with which to pay the costs associated with the refunding of the Prior Bonds.

f. It is necessary and in the best interests of the Village to issue an aggregate principal amount not to exceed \$19,000,000 of its Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project) (the “Bonds”), as provided in this Ordinance, to pay or provide funds to current refund all of the Prior Bonds.

g. The Village expects that aggregate payments of principal of and interest on the Bonds will be less than aggregate payments of principal of and interest on the outstanding Prior Bonds.

h. After adoption of Ordinance Number 00-20 on June 13, 2000, which proposed the consideration of establishing the Special Service Area and the issuance of the Series 2001 Bonds in an aggregate principal amount not to exceed \$28,000,000 (the “Proposing Ordinance”), due publication of notice as required by the Special Service Area Act including, without limitation, notice of the issuance of the Series 2001 Bonds in an aggregate principal amount not to exceed \$28,000,000, public hearings to consider the establishment of the Special Service Area, the issuance of the Series 2001 Bonds for the purpose of paying the costs of the Special Services and the manner in which the Series 2001 Bonds were proposed to be retired and the proposed tax levy, were held on July 5, 2000 and on March 20, 2001 at 7:00 p.m., no objection petition was filed with respect to the establishment of the Special Service Area or the issuance of the Series 2001 Bonds within the period of time allowed pursuant to the Special Service Area Act, and waivers of the right to file any such objection petition were executed by all electors and all owners of property within the Special Service Area at the time of the issuance of the Series 2001 Bonds.

## Section 2. Issuance of Bonds.

a. The Village shall borrow the sum of not to exceed \$19,000,000 by issuing the Bonds as provided in this Ordinance. The Bonds which shall be designated “Village of Gilberts, Kane County, Illinois Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project),” shall be issued for the purpose of refunding all of the Prior Bonds. The Bonds shall be issued pursuant to the powers of the Village pursuant to Section 7 of Article VII of the 1970 Constitution of the State of Illinois; the Special Service Area Act; and the Local Government Debt Reform Act, 30 ILCS 350/1 et seq.

b. The Village President is hereby authorized and directed to establish the final terms of the Bonds as set forth in the Village’s Bond Order to be executed by the Village President (the “Bond Order”), but only within the parameters or on such terms as set forth in Section 4 of this Ordinance and in furtherance of such duty is hereby authorized and directed to execute the Bond Order on behalf of the Village. The Bonds shall be issued in such principal amounts, shall mature on such dates and bear interest at such rates and be subject to redemption as set forth in the Bond Order.

Section 3. Approval of Documents. There have been submitted to the President and Board of Trustees forms of the following documents relating to the issuance of the Bonds:

- a. a form of Trust Indenture (the “Indenture”) between the Village and Amalgamated Bank of Chicago, as trustee (the “Trustee”), to be dated on or prior to the date of issuance of the Bonds, which form of Indenture is attached as Exhibit B to this Ordinance;
- b. a form of Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Village and Bernardi Securities, Inc., as Underwriter (the “Underwriter”), to be dated as of the date the offer of the Underwriter to purchase the Bonds is accepted by the Village, which form of Bond Purchase Agreement is attached as Exhibit C to this Ordinance and is incorporated herein;
- c. a form of Preliminary Official Statement (the “Preliminary Official Statement”) to be used by the Underwriter in its initial offering of the Bonds, which form of Preliminary Official Statement is attached as Exhibit D to this Ordinance;
- d. a form of an Administrative Services Agreement to be entered into by and between the Village and MuniCap Inc. (the “Administrative Services Agreement”) providing for the administrative services to the Special Service Area which agreement is attached as Exhibit E to this Ordinance; and
- e. a form of continuing disclosure undertaking to be entered into by the Village (the “CDU”) to effect compliance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, which agreement is attached as Exhibit F to this Ordinance.

Such documents are approved as to form and substance and any one of the Village President and the Village Clerk of the Village are authorized and directed to execute and deliver and/or authorize the use of such documents on behalf of the Village in substantially the forms submitted with such additions, deletions and completions of the same as the Village President and the Village Clerk deem appropriate; and when each such document is executed and delivered on behalf of the Village, as provided herein, each such document will be binding on the Village; from and after the execution and delivery of each such document, the officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute all such additional documents as may be necessary to carry out, comply with and perform the provisions of each such document as executed; and each such document shall constitute, and hereby is made, a part of this Ordinance, and a copy of each such document shall be placed in the official records of the Village, and shall be available for public inspection at the office of the Village Clerk. Any one of the Village President, Village Administrator, Village Treasurer or Village Clerk (the “Authorized Officers”) is authorized and directed, subject to the terms of the Bond Purchase Agreement as executed, to execute a final Official Statement in substantially the form of the Preliminary Official Statement with such changes, additions or deletions as they deem appropriate to reflect the final terms of the Bonds, the Indenture and other matters. The Village hereby ratifies, confirms and approves the use and distribution by the Underwriter of the Preliminary Official Statement prior to the availability of the final Official

Statement. The Village President and the Village Clerk are authorized to obtain a Bond Insurance Policy insuring the payment of principal of and interest on the Bonds when due (the “Policy”) from a bond insurer (a “Bond Insurer”) if the Village President determines such Policy to be beneficial in connection with the sale of the Bonds. The Village President is hereby authorized on behalf of the Village, to make such customary covenants and agreements with the Bond Insurer as are not inconsistent with the terms of this Ordinance and as may be required by the Bond Insurer to issue its Policy.

Section 4. Bond Terms; Bond Order. The Bonds shall be issued as provided in the Indenture and shall be issued in the aggregate principal amount not to exceed \$19,000,000, shall be dated, shall mature not later than March 1, 2030, shall bear interest at the rates (not to exceed six and one-half percent (6.50%) per annum), and shall be subject to redemption at the times and prices not to exceed 103% of the principal amount of the Bonds to be redeemed, all as set forth in the Bond Order and the Indenture, and shall be sold to the Underwriter at an aggregate purchase price of not less than 97.0% of the principal amount of the Bonds, exclusive of original issue discount or original issue premium, all as set forth in the Bond Order and the Bond Purchase Agreement. The Bond Order shall specify the principal amount of the Bonds, the date of the Bonds, the interest rate on and maturity dates of the Bonds, the redemption provisions of the Bonds, the purchase price of the Bonds, the identity of any Bond Insurer, if any, and the final form of any commitment to provide the bond insurance Policy and may include such other terms as are deemed necessary to provide for the sale of the Bonds which are not inconsistent with this Ordinance. The execution and delivery of the Indenture and the Bond Order by the Village President and the Village Clerk shall evidence their approval of the terms of the Bonds.

Section 5. Execution and Delivery of Bonds. The Village President and the Village Clerk are authorized and directed to execute and deliver the Bonds and, together with other Authorized Officers, to take all necessary action with respect to the issuance, sale and delivery of the Bonds, all in accordance with the terms and procedures specified in this Ordinance and the Indenture. The Bonds shall be delivered to the Trustee who is directed to authenticate the Bonds and deliver the Bonds to the Underwriter upon receipt of the purchase price for the Bonds.

The Bonds shall be in substantially the form set forth in the Indenture. Each Bond shall be executed by the manual or facsimile signature of the Village President and the manual or facsimile signature of the Village Clerk and shall have the corporate seal of the Village affixed to it (or a facsimile of that seal printed on it). The Village President and the Village Clerk (if they have not already done so) are authorized and directed to file with the Illinois Secretary of State their manual signatures certified by them pursuant to the Uniform Facsimile Signatures of Public Officials Act, as amended, which shall authorize the use of their facsimile signatures to execute the Bonds. Each Bond so executed shall be as effective as if manually executed. In case any officer of the Village whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before authentication and delivery of any of the Bonds, that signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

No Bond shall be valid for any purpose unless and until a certificate of authentication on that Bond substantially in the form set forth in the bond form in the Indenture shall have been

duly executed by the Trustee. Execution of that certificate upon any Bond shall be conclusive evidence that the Bond has been authenticated and delivered under this Ordinance.

Section 6. Bonds are Limited Obligations; Levy of Special Taxes; Pledge. The Bonds shall constitute limited obligations of the Village, payable from the Special Taxes (as defined below) to be levied on all taxable real property within the Special Service Area as provided below and the funds and accounts pledged pursuant to the Indenture. The Bonds shall not constitute the general obligations of the Village and neither the full faith and credit nor the unlimited taxing power of the Village shall be pledged as security for payment of the Bonds.

There are hereby levied Special Taxes upon all taxable real property within the Special Service Area in accordance with the Special Tax Report (as defined below) sufficient to pay and discharge the principal of and interest on the Bonds at maturity or mandatory sinking fund redemption dates and to pay interest on the Bonds for each year at the interest rates set forth in Section 2.4 of the Indenture and to pay for the Administrative Expenses (as defined in the Indenture) of the Village and Kane County, if any, for each year and to fund and replenish the Reserve Fund created and established pursuant to the Indenture to an amount equal to the Reserve Requirement (as defined in the Indenture) including specifically the following amounts for the following years (the “Special Taxes”):

<u>Year of Levy</u>	<u>An Amount Sufficient to Produce the Sum of:</u>
2015	\$2,706,584.00
2016	2,747,184.26
2017	2,788,387.49
2018	2,830,208.40
2019	2,872,669.30
2020	2,915,757.08
2021	2,959,492.00
2022	3,003,883.26
2023	3,048,947.70
2024	3,094,678.50
2025	3,141,094.28
2026	3,188,214.30
2027	3,236,037.74
2028	3,284,574.62

Pursuant to the Special Tax Roll established by the Special Tax Roll and Report dated February 27, 2001 prepared for the Special Service Area (the “Special Tax Report”), the Special Taxes shall be divided among all taxable real property within the Special Service Area in accordance with the terms of the Establishing Ordinance and the Special Tax Report. It shall be the duty of the Village and the Village hereby covenants, annually on or before the last Tuesday of December for each of the years 2015 through 2028 to calculate or cause the Consultant appointed pursuant to the Indenture to calculate the projected Special Tax Requirement (as defined in the Indenture); to adopt an ordinance approving the amount of the Special Tax Requirement; and shall by ordinance direct the County Clerk of Kane County to extend the

Special Taxes for collection on the tax books against all of the taxable real property within the Special Service Area in accordance with the Special Tax Report and in connection with other taxes levied in each of such years for general Village purposes. The Special Taxes shall be computed, extended and collected in accordance with the Special Tax Report and the Special Tax Roll, and divided among the taxable real property within the Special Service Area in accordance with the terms of the Establishing Ordinance and the Special Tax Report. The Special Taxes levied by this Ordinance shall be abated each year to the extent the taxes levied pursuant to this Ordinance exceed the Special Tax Requirement as calculated by the Village pursuant to the Establishing Ordinance and the Special Tax Report. On or before the last Tuesday of January for each of the years 2016 through 2029 the Village shall notify the Trustee and the Bond Insurer, if any, of the amount of the Special Tax Requirement and the amount of the Special Taxes to be abated. The Village shall take all actions which shall be necessary to provide for the levy, extension, collection and application of the taxes levied by this Ordinance, including enforcement, of such taxes by institution of foreclosure procedures as provided by law.

The Special Taxes levied as provided above shall be deposited in the Bond and Interest Fund created pursuant to the Indenture and are appropriated to and are irrevocably pledged to and shall be used only for the purposes set forth in the Indenture.

Section 7. Special Covenants. The Village covenants with the holders of the Bonds from time to time outstanding and the Bond Insurer, if any, that it (i) will take all actions which are necessary to be taken (and avoid any actions which it is necessary to avoid being taken) so that interest on the Bonds and the Prior Bonds will not be or become included in gross income for federal income tax purposes under existing law, including without limitation the Internal Revenue Code of 1986, as amended (the “Code”); (ii) will take all actions reasonably within its power to take which are necessary to be taken (and avoid taking any actions which are reasonably within its power to avoid taking and which are necessary to avoid) so that the interest on the Bonds and the Prior Bonds will not be or become included in gross income for federal income tax purposes under the federal income tax laws as in effect from time to time; and (iii) will take no action or permit any action in the investment of the proceeds of the Bonds or the Prior Bonds, amounts held under the Indenture or any other funds of the Village which would result in making interest on the Bonds or the Prior Bonds subject to federal income taxes by reason of causing the Bonds or the Prior Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, or direct or permit any action inconsistent with the regulations under the Code as promulgated and as amended from time to time and as applicable to the Bonds or the Prior Bonds. The Village President, Village Clerk, Village Treasurer and other Authorized Officers of the Village are authorized and directed to take all such actions as are necessary in order to carry out the issuance and delivery of the Bonds including, without limitation, to make any representations and certifications they deem proper pertaining to the use of the proceeds of the Bonds and other moneys held under the Indenture in order to establish that the Bonds and the Prior Bonds shall not constitute arbitrage bonds as so defined.

The Village further covenants with the holders of the Bonds from time to time outstanding and the Bond Insurer, if any, that:

- a. it will take all actions, if any, which shall be necessary in order further to provide for the levy, extension, collection and application of the Special Taxes imposed

by or pursuant to this Ordinance or the Establishing Ordinance, including enforcement of the Special Taxes by institution of foreclosure procedures as provided by law;

b. it will not take any action which would reduce the size of the Special Service Area or adversely affect the levy, extension, collection and application of the Special Taxes, except to abate the Special Taxes to the extent permitted by the Special Tax Report and as provided in this Ordinance and to release parcels subject to the Special Taxes to the extent a prepayment of the Special Taxes for such parcel has been prepaid; and

c. it will comply with all present and future laws concerning the levy, extension and collection of the Special Taxes; in each case so that the Village shall be able to pay the principal of and interest on the Bonds as they come due and replenish the Reserve Fund to the Reserve Requirement and it will take all actions necessary to assure the timely collection of the Special Taxes, including without limitation, the enforcement of any delinquent Special Taxes by the commencement and maintenance of an action to foreclose the lien of any delinquent Special Taxes within twelve months of the date of failure to pay the Special Taxes from the date they are due, and in the manner provided by law.

Promptly following the date of issuance of the Bonds, the Village shall file an abatement ordinance abating the Special Taxes levied for the Prior Bonds pursuant to the bond ordinance for the Prior Bonds (the “Prior Bond Ordinance”) for levy years 2015 through 2028.

Section 8. Additional Authority. The Village President, the Village Clerk, the Village Treasurer and the other Authorized Officers of the Village are authorized to execute and deliver on behalf of the Village such other documents, agreements and certificates and to do such other things consistent with the terms of this Ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this Ordinance, including without limitation to make any representations and certifications they deem proper pertaining to the use of the proceeds of the Bonds in order to establish that the Bonds and the Prior Bonds shall not constitute arbitrage bonds as defined in Section 7 above.

Section 9. Transfer of Funds; Defeasance of Prior Bonds. Amounts on deposit in the funds and accounts created pursuant to the provisions of the Trust Indenture of the Village pursuant to which the Prior Bonds were authorized (the “Prior Indenture”) may be transferred to an Escrow Account to be created pursuant to an Escrow Letter Agreement and applied to refund the Prior Bonds or may be transferred to the Bond and Interest Fund or the Reserve Fund created for the Bonds to the extent not needed to defease and pay the Prior Bonds all as provided in the Bond Order.

The Prior Bonds shall be called for redemption on the date specified in the Bond Order at a price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date. Such redemption shall be conducted in accordance with the terms of the Prior Indenture.



Section 10. Filing of Ordinance. The Village Clerk is directed to file a certified copy of this Ordinance, and an accurate map of the Special Service Area, with the County Clerk of Kane County.

Section 11. Severability. If any section, paragraph, clause or provision of this Ordinance (including any section, paragraph, clause or provision of any exhibit to this Ordinance) shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other sections, paragraphs, clauses or provisions of this Ordinance (or of any of the exhibits to this Ordinance).

Section 12. Repealer; Effect of Ordinance. All ordinances, resolutions and orders or parts of ordinances, resolutions and orders in conflict with this Ordinance are repealed to the extent of such conflict. The Village Clerk shall cause this Ordinance to be published in pamphlet form. This Ordinance shall be effective upon its passage and publication as provided by law.

PASSED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF  
GILBERTS, KANE COUNTY, ILLINOIS this \_\_\_\_ day of April, 2015.

VOTING AYE: \_\_\_\_\_

VOTING NAY: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAINED: \_\_\_\_\_

NOT VOTING: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
Village President

ATTEST:

\_\_\_\_\_  
Village Clerk

## **EXHIBIT A**

### **Special Service Area Number Nine**

#### **Legal Description**

##### PARCEL 1:

THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 26 AND THE SOUTHWEST QUARTER OF SECTION 25 (EXCEPT THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY AND THE RIGHT OF WAY OF THE ELGIN AND THE BELVIDERE ELECTRIC COMPANY AS PER DOCUMENT 751880) AND THAT PART OF THE NORTHWEST QUARTER OF SECTION 36 LYING NORTH OF THE CENTERLINE OF BIG TIMBER ROAD AS PER DOCUMENT NUMBER 376207 (EXCEPT THAT PARCEL OF LAND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF SECTION 36, THENCE NORTH ALONG THE EAST LINE OF SAID NORTHWEST QUARTER A DISTANCE OF 127.71 TO THE CENTERLINE OF THE RIGHT OF WAY OF THE BIG TIMBER ROAD, THENCE WESTERLY ALONG SAID CENTERLINE A DISTANCE OF 271.24 FEET TO A POINT OF CURVATURE, THENCE WESTERLY ALONG SAID CENTERLINE BEING A CURVED LINE CONVEX TO THE NORTH AND HAVING A RADIUS OF 49,110.70 FEET, AN ARC LENGTH OF 915.13 TO THE POINT OF BEGINNING, THENCE NORTHEASTERLY ALONG A LINE FORMED BY AN ANGLE OF 90 DEGREES, 53 MINUTES, 54 SECONDS TO THE LEFT WITH THE LAST DESCRIBED COURSE A DISTANCE OF 399.81 FEET, THENCE NORTHWESTERLY ALONG A LINE FORMED BY AN ANGLE OF 90 DEGREES, 00 MINUTES, 00 SECONDS TO THE LAST DESCRIBED COURSE A DISTANCE OF 272.25 FEET, THENCE SOUTHWESTERLY ALONG A LINE FORMED BY AN ANGLE OF 90 DEGREES, 00 MINUTES, 00 SECONDS TO THE LAST DESCRIBED COURSE A DISTANCE OF 398.83 FEET TO A POINT AT THE INTERSECTION WITH SAID CENTERLINE OF BIG TIMBER ROAD, THENCE EASTERLY ALONG SAID CENTERLINE BEING A CURVED LINE CONVEX TO THE NORTH AND HAVING A RADIUS OF 49,110.70 FEET, AN ARC LENGTH OF 272.25 FEET TO THE POINT OF BEGINNING), ALL IN SECTION 36, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS.

##### PARCEL 2:

THE NORTH 1 ROD OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

##### PARCEL 3:

THAT PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE FORMER RIGHT

OF WAY OF THE ELGIN, BELVIDERE AND ROCKFORD RAILWAY COMPANY, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 4:

THAT PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE WEST HALF OF SAID SOUTHEAST QUARTER; THENCE SOUTH ALONG THE EAST LINE OF THE WEST HALF OF SAID SOUTHEAST QUARTER 1082.85 FEET; THENCE WEST ALONG A LINE FORMING AN ANGLE OF 88 DEGREES, 48 MINUTES TO THE RIGHT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE, 31.87 FEET (THIS POINT HEREINAFTER REFERRED TO AS POINT "A"); THENCE WESTERLY ALONG A LINE FORMING AN ANGLE OF 04 DEGREES, 05 MINUTES TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 860.80 FEET TO THE EASTERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY FOR THE POINT OF BEGINNING; THENCE EASTERLY ALONG THE LAST DESCRIBED COURSE 860.80 FEET TO SAID POINT "A"; THENCE EASTERLY ALONG A LINE FORMING AN ANGLE OF 04 DEGREES, 05 MINUTES TO THE RIGHT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE, 31.87 FEET TO THE EAST LINE OF THE WEST HALF OF SAID SOUTHEAST QUARTER; THENCE SOUTH ALONG SAID EAST LINE 33.01 FEET TO A POINT 1531 FEET NORTH OF THE SOUTHEAST CORNER OF THE WEST HALF OF SAID SOUTHEAST QUARTER; THENCE WEST ALONG A LINE FORMING AN ANGLE OF 88 DEGREES 48 MINUTES TO THE RIGHT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 30 FEET; THENCE WESTERLY ALONG A LINE FORMING AN ANGLE OF 4 DEGREES 07 MINUTES TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 816.40 FEET TO A LINE DRAWN PARALLEL WITH AND 30 FEET EASTERLY OF, MEASURED AT RIGHT ANGLES THERETO, SAID EASTERLY RAILWAY RIGHT OF WAY LINE; THENCE SOUTHERLY ALONG SAID PARALLEL LINE, WHICH FORMS AN ANGLE OF 110 DEGREES, 28 MINUTES TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 120.0 FEET; THENCE WESTERLY AT RIGHT ANGLES TO THE LAST DESCRIBED COURSE 30 FEET TO SAID EASTERLY RAILWAY RIGHT OF WAY LINE; THENCE NORTHWESTERLY ALONG SAID EASTERLY RIGHT OF WAY LINE TO THE POINT OF BEGINNING; IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 5:

THAT PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 7, EAST OF TEE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE WEST HALF OF SAID SOUTHEAST QUARTER, THENCE WEST ALONG THE NORTH LINE OF SAID QUARTER SECTION 484.7 FEET FOR THE POINT OF BEGINNING; THENCE SOUTHERLY ALONG A LINE FORMING AN ANGLE OF 84 DEGREES, 31 MINUTES, 00 SECONDS TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 207.4 FEET; THENCE EASTERLY ALONG A LINE FORMING AN

ANGLE OF 94 DEGREES 52 MINUTES, 00 SECONDS TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 504 FEET TO THE EAST LINE OF THE WEST HALF OF SAID SOUTHEAST QUARTER; THENCE SOUTH ALONG SAID EAST LINE 870.9 FEET; THENCE WESTERLY ALONG A LINE FORMING AN ANGLE OF 88 DEGREES, 48 MINUTES, 00 SECONDS TO THE RIGHT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 31.87 FEET; THENCE WESTERLY ALONG A LINE FORMING AN ANGLE OF 04 DEGREES, 05 MINUTES, 00 SECONDS TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 860.8 FEET TO THE EASTERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY; THENCE NORTHWESTERLY ALONG SAID EASTERLY RIGHT OF WAY LINE, BEING ALONG A LINE FORMING AN ANGLE OF 69 DEGREES, 36 MINUTES, 40 SECONDS TO THE RIGHT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE, TO THE WEST LINE OF SAID SOUTHEAST QUARTER; THENCE NORTH ALONG SAID WEST LINE TO THE NORTH LINE OF SAID SOUTHEAST QUARTER; THENCE EAST ALONG SAID NORTH LINE 851.3 FEET TO THE POINT OF BEGINNING (EXCEPT THAT PART FALLING IN THE NORTH 16.5 FEET OF SAID SOUTHEAST QUARTER); IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 6:

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING WESTERLY OF THE WESTERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY AND EASTERLY OF A LINE DRAWN PARALLEL WITH AND 50 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES THERETO, SAID WESTERLY RIGHT OF WAY LINE, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 7:

THAT PART OF THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: THE SOUTHERLY RIGHT OF WAY OF BIG TIMBER ROAD IN SAID SECTION 36.

PARCEL 8:

THAT PART OF THE EAST 1/2 OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION 36 WHICH IS 1128 FEET EAST OF THE CENTER OF SAID SECTION; THENCE EAST ALONG SAID SOUTH LINE TO THE EASTERLY RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY; THENCE SOUTHERLY ALONG SAID EASTERLY RIGHT OF WAY LINE TO THE CENTER LINE OF BIG TIMBER. ROAD; THENCE EASTERLY ALONG SAID CENTER LINE TO THE EAST LINE OF SAID SECTION; THENCE NORTH ALONG SAID EAST LINE TO A POINT 684.95 FEET SOUTH OF THE NORTHEAST CORNER OF SAID SECTION; THENCE WESTERLY ALONG A LINE FORMING AN ANGLE OF 91 DEGREES 02 MINUTES TO THE LEFT WITH THE

PROLONGATION OF THE LAST DESCRIBED COURSE, 1173.71 FEET TO THE EASTERLY RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY; THENCE NORTHWESTERLY ALONG SAID EASTERLY RIGHT OF WAY LINE 183.79 FEET TO AN ANGLE IN SAID LINE; THENCE NORTHWESTERLY ALONG SAID EASTERLY RIGHT OF WAY LINE, WHICH FORMS AN ANGLE OF 54 MINUTES TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE, 570 FEET TO THE NORTH LINE OF SAID SECTION; THENCE WEST ALONG SAID NORTH LINE TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION; THENCE SOUTH ALONG THE WEST LINE OF SAID NORTHEAST 1/4 TO THE CENTER LINE OF BIG TIMBER ROAD; THENCE SOUTHEASTERLY ALONG SAID CENTER LINE TO THE SOUTH LINE OF SAID NORTHEAST 1/4; THENCE CONTINUING SOUTHEASTERLY ALONG SAID CENTER LINE 866 FEET; THENCE NORTHERLY 340 FEET TO THE POINT OF BEGINNING (EXCEPT THE 100 FEET RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY); IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 9:

THAT PART OF THE SOUTHEAST 1/4 OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF BIG TIMBER ROAD WITH THE NORTH LINE OF SAID SOUTHEAST 1/4; THENCE SOUTHEASTERLY ALONG SAID CENTER LINE 866 FEET FOR THE POINT OF BEGINNING; THENCE CONTINUING SOUTHEASTERLY ALONG SAID CENTER LINE TO THE WESTERLY RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY; THENCE NORTHERLY ALONG SAID WESTERLY RIGHT OF WAY LINE TO THE NORTH LINE OF SAID SOUTHEAST 1/4; THENCE WEST ALONG SAID NORTH LINE TO A POINT 1128 FEET EAST OF, AS MEASURED ALONG SAID NORTH LINE, THE CENTER OF SAID SECTION; THENCE SOUTH TO THE POINT OF BEGINNING, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 10

THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS, LYING NORTH OF A TRACT OF LAND DEDICATED AS A PUBLIC HIGHWAY KNOWN AS BIG TIMBER ROAD, WHICH SAID CENTER LINE IS DESCRIBED AS FOLLOWS, TO WIT: COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE EAST ALONG THE NORTH LINE OF SECTION 35 FOR A DISTANCE OF 195.3 FEET MORE OR LESS TO A POINT ON THE CENTER LINE OF THE DEDICATED ROAD; THENCE SOUTHEASTERLY ON A LINE FORMING AN ANGLE OF 41 DEGREES 19 1/2 MINUTES TO THE LEFT WITH THE NORTH LINE OF SECTION 35 FOR A DISTANCE OF 1078.44 FEET; THENCE SOUTHEASTERLY ON A CURVE TO THE LEFT HAVING A RADIUS OF 1736.48 FEET AND TANGENT TO THE LAST DESCRIBED COURSE, FOR A DISTANCE OF 368.86 FEET MORE OR LESS, TO A POINT ON THE WEST LINE OF GRANTOR'S

PROPERTY FOR A PLACE OF BEGINNING; THENCE SOUTHEASTERLY ON A CONTINUATION OF THE LAST DESCRIBED COURSE, HAVING A RADIUS OF 1736.48 FEET FOR A DISTANCE OF 232.15 FEET; THENCE SOUTHEASTERLY ON A LINE TANGENT TO THE LAST DESCRIBED COURSE FOR A DISTANCE OF 1149.35 FEET MORE OR LESS TO A POINT ON THE WESTERLY BOUNDARY LINE EXTENDED, OF THE PRESENT NORTH AND SOUTH HIGHWAY, DEDICATED FOR PUBLIC HIGHWAY, WHICH ON JANUARY 12, 1934 WAS DEDICATED IN WRITING BY THE AFORESAID ELGIN CITY BANKING COMPANY TO THE PEOPLE OF THE STATE OF ILLINOIS AND AFTERWARDS RECORDED IN THE RECORDER'S OFFICE OF KANE COUNTY, ILLINOIS, AS DOCUMENT 376211, (EXCEPTING THEREFROM THAT PART OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE EAST LINE OF SAID NORTHEAST 1/4 WITH THE CENTER LINE OF BIG TIMBER ROAD; THENCE NORTHWESTERLY ALONG SAID CENTER LINE 300.0 FEET FOR THE PLACE OF BEGINNING; THENCE CONTINUING NORTHWESTERLY ALONG SAID CENTER LINE 158.0 FEET; THENCE NORTHEASTERLY, AT RIGHT ANGLES TO SAID CENTER LINE, 400.0 FEET; THENCE SOUTHEASTERLY, PARALLEL WITH SAID CENTER LINE, 158.0 FEET; THENCE SOUTHWESTERLY 400.0 FEET TO THE PLACE OF BEGINNING), IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS.

PARCEL 11:

THAT PART OF THE NORTHEAST QUARTER OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE EAST LINE OF SAID NORTHEAST QUARTER WITH THE CENTER LINE OF BIG TIMBER ROAD; THENCE NORTHWESTERLY ALONG SAID CENTER LINE, 300.0 FEET FOR THE PLACE OF BEGINNING; THENCE CONTINUING NORTHWESTERLY ALONG SAID CENTER LINE, 150.0 FEET; THENCE NORTHEASTERLY AT RIGHT ANGLES TO SAID CENTERLINE, 400.0 FEET; THENCE SOUTHEASTERLY PARALLEL WITH SAID CENTER LINE, 150.0 FEET; THENCE SOUTHWESTERLY 400.0 FEET TO THE PLACE OF BEGINNING, IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS.

PARCEL 12:

THAT PART OF THE NORTHEAST QUARTER OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE EAST LINE OF SAID NORTHEAST QUARTER WITH THE CENTER LINE OF BIG TIMBER ROAD; THENCE NORTHWESTERLY ALONG SAID CENTER LINE 450 FEET TO THE PLACE OF BEGINNING; THENCE CONTINUING NORTHWESTERLY ALONG SAID CENTER LINE 8 FEET; THENCE NORTHEASTERLY AT RIGHT ANGLES TO SAID CENTER LINE 400 FEET; THENCE SOUTHEASTERLY, PARALLEL TO SAID CENTER LINE 8 FEET; THENCE SOUTHWESTERLY 400 FEET TO THE PLACE OF BEGINNING, IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS.

**EXHIBIT B**  
**Form of Trust Indenture**



---

---

**TRUST INDENTURE**

between

**VILLAGE OF GILBERTS, ILLINOIS**

and

**AMALGAMATED BANK OF CHICAGO,  
as Trustee**

**Dated as of April 1, 2015**

-----  
**VILLAGE OF GILBERTS,  
KANE COUNTY, ILLINOIS  
SPECIAL SERVICE AREA NUMBER NINE  
SPECIAL TAX REFUNDING BONDS, SERIES 2015  
(BIG TIMBER PROJECT)**

---

---

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I STATUTORY AUTHORITY AND DEFINITIONS .....	3
Section 1.1. Authority for this Indenture .....	3
Section 1.2. Agreement for Benefit of Owners of the Series 2015 Bonds .....	3
Section 1.3. Definitions.....	3
ARTICLE II BOND DETAILS .....	10
Section 2.1. Purpose of Issuance; Amount of Series 2015 Bonds .....	10
Section 2.2. Form; Denominations; Numbers.....	11
Section 2.3. Date of Series 2015 Bonds: CUSIP Identification Numbers .....	11
Section 2.4. Maturities; Interest Rates .....	11
Section 2.5. Interest.....	11
Section 2.6. Form of Series 2015 Bonds; Execution; Authentication .....	12
Section 2.7. Payment of the Series 2015 Bonds .....	12
Section 2.8. Appointment of Trustee .....	12
Section 2.9. Registration of Series 2015 Bonds; Persons Treated as Owners .....	12
Section 2.10. Global Form; Securities Depository .....	13
ARTICLE III ADDITIONAL BONDS .....	15
ARTICLE IV REDEMPTION OF SERIES 2015 BONDS.....	15
Section 4.1. Mandatory Sinking Fund Redemption.....	15
Section 4.2. Optional Redemption. ....	15
Section 4.3. Mandatory Redemption Upon Condemnation.....	16
Section 4.4. Special Mandatory Redemption from Optional Prepayment, Change in Density and Mandatory Redemption from Recapture.....	16
Section 4.5. Redemption Provisions; Notice of Redemption .....	17
Section 4.6. Purchase in Lieu of Redemption.....	18
ARTICLE V APPLICATION OF PROCEEDS .....	18
Section 5.1. Application of Proceeds.....	18
ARTICLE VI SECURITY FOR THE SERIES 2015 BONDS .....	19
Section 6.1. Limited Obligations .....	19
Section 6.2. Levy of Special Tax .....	19
ARTICLE VII FUNDS AND ACCOUNTS.....	20
Section 7.1. Bond and Interest Fund .....	20
Section 7.2. Reserve Fund .....	22
Section 7.3. Cost of Issuance Fund.....	22
Section 7.4. Administrative Expense Fund.....	23
Section 7.5. Rebate Fund .....	23
Section 7.6. Investment of Funds.....	23

ARTICLE VIII COVENANTS AND AGREEMENTS OF THE VILLAGE.....	24
Section 8.1. Tax Covenants .....	24
Section 8.2. Levy and Collection of Taxes .....	25
Section 8.3. Proper Books and Records.....	25
Section 8.4. Against Encumbrances.....	26
Section 8.5. Continuing Disclosure Agreement.....	26
Section 8.6. [Municipal Bond Insurance Policy; Covenants In Favor of Bond Insurer.....	26
ARTICLE IX DEFAULTS AND REMEDIES .....	32
Section 9.1. Events of Default .....	32
Section 9.2. Remedies.....	33
Section 9.3. Notice of Default.....	34
Section 9.4. Termination of Proceedings by Trustee.....	34
Section 9.5. Right of Bondholders to Control Proceedings .....	34
Section 9.6. Right of Bondholders to Institute Suit .....	34
Section 9.7. Suits by Trustee.....	35
Section 9.8. Remedies Cumulative .....	35
Section 9.9. Waiver of Default .....	35
Section 9.10. Application of Moneys After Default .....	35
ARTICLE X TRUSTEE .....	36
Section 10.1. Appointment of the Trustee .....	36
Section 10.2. Performance of Duties .....	36
Section 10.3. Instruments Upon Which Trustee May Rely .....	38
Section 10.4. Trustee not Responsible for Recitals and Other Matters .....	38
Section 10.5. Trustee May Acquire Series 2015 Bonds .....	39
Section 10.6. Qualification of Trustee .....	39
Section 10.7. Resignation or Removal of Trustee and Appointment of Successor. ....	39
Section 10.8. Concerning the Successor Trustee .....	40
Section 10.9. Reserved.....	41
Section 10.10. Monthly Statements .....	41
Section 10.11. Merger, Consolidation, or Succession to Business.....	41
ARTICLE XI SUPPLEMENTAL INDENTURES .....	41
Section 11.1. Supplemental Indentures Not Requiring Consent of Bondholders.....	41
Section 11.2. Supplemental Indentures Requiring Consent of Bondholders.....	42
Section 11.3. Supplemental Indenture to Modify this Indenture .....	43
Section 11.4. Trustee May Rely Upon Opinion of Counsel Re: Supplemental Indenture.....	43
Section 11.5. Notation.....	43
Section 11.6. Opinion of Counsel .....	44
ARTICLE XII DEFEASANCE .....	44
Section 12.1. Defeasance. ....	44
ARTICLE XIII MISCELLANEOUS .....	46
Section 13.1. Severability .....	46

Section 13.2. Notices .....	46
Section 13.3. Holidays .....	47
Section 13.4. Execution of Counterparts .....	47
Section 13.5. Applicable Law .....	47
Section 13.6. Immunity of Officers, Employees, Elected Officials of Village .....	47

## EXHIBITS

Exhibit A	Legal Description of Special Service Area
Exhibit B	Form of Series 2015 Bond
Exhibit C	Form of Satisfaction of Tax Lien
Exhibit D	Form of Continuing Disclosure Agreement

## TRUST INDENTURE

THIS TRUST INDENTURE (the “Indenture”) is made and entered into as of April 1, 2015, by and between the Village of Gilberts, Illinois, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Illinois (the “Village”), and Amalgamated Bank of Chicago, an Illinois banking corporation, as Trustee (the “Trustee”).

### W I T N E S S E T H:

WHEREAS, by Ordinance No. 01-10 adopted on March 20, 2001 (the “Establishing Ordinance”) the Village has established the “Village of Gilberts Special Service Area Number Nine” as further described in Exhibit A to this Indenture (the “Special Service Area”); and

WHEREAS, pursuant to Ordinance No. 05-29 adopted on September 6, 2005 (the “Series 2005 Bond Ordinance”) and pursuant to the Special Service Area Tax Law, 35 ILCS 200/27-5 et seq. (the “Special Service Area Act”) it was determined in the best interests of the Village to issue, and the Village subsequently did issue, a principal amount of \$27,525,000 of the Village of Gilberts, Kane County, Illinois, Special Service Area Number Nine Special Tax Refunding Bonds, Series 2005 (Big Timber Project) (the “Series 2005 Bonds”) for the purpose of advance refunding the Village’s Special Series Area Number Nine Special Tax Bonds Series 2001 (Big Timber Project) issued in the original principal amount of \$26,100,000 none of which are currently outstanding (the “Series 2001 Bonds”). The Series 2001 Bonds provided a portion of the funds needed for costs of the Special Services (defined below); and

WHEREAS, it is determined to be in the best interests of the Village to currently refund all of the Series 2005 Bonds; and

WHEREAS, pursuant to Ordinance No. \_\_-2015 adopted on March 17, 2015, including a Bond Order executed pursuant thereto (the “Bond Ordinance”) and pursuant to the Special Service Area Act, it was determined in the best interests of the Village to issue a principal amount not to exceed \$\_\_\_\_\_ of the Village of Gilberts Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project) (the “Series 2015 Bonds”) for the purpose of providing the funds needed for the refunding of the Series 2005 Bonds, to fund certain reserves and to pay costs of issuance of the Series 2015 Bonds and the refunding of the Series 2005 Bonds; and

WHEREAS, the Bond Ordinance authorized the President and Village Clerk to establish certain specific terms of the Series 2015 Bonds by executing and delivering a Bond Order and a Bond Purchase Agreement with the Purchaser (defined below); and

WHEREAS, pursuant to the terms so established the Village will issue \$\_\_\_\_\_ aggregate principal amount of Series 2015 Bonds upon the terms specified in this Indenture; and

WHEREAS, it is in the public interest and for the benefit of the Village, the Special Service Area and the owners of the Series 2015 Bonds that the Village enter into this Indenture to provide for the issuance of the Series 2015 Bonds, the disbursement of proceeds of the Series 2015 Bonds, the deposit of the special taxes levied pursuant to the Bond Ordinance securing the Bonds, and the administration and payment of the Series 2015 Bonds; and

WHEREAS, all things necessary to cause the Series 2015 Bonds, when executed by the Village and issued as provided in the Special Service Area Act, the Local Government Debt Reform Act (as defined below), the Bond Ordinance and this Indenture, to be legal, valid and binding and special obligations of the Village in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Indenture and the creation, authorization, execution and issuance of the Series 2015 Bonds, subject to the terms of this Indenture, have in all respects been duly authorized;

**NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:**

**GRANTING CLAUSES**

That the Village in consideration of the premises, the acceptance by the Trustee of the trusts created hereby and the purchase and acceptance of the Series 2015 Bonds by the owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Series 2015 Bonds according to their tenor and effect, and to secure the performance and observance by the Village of all the covenants expressed or implied herein and in the Series 2015 Bonds, does hereby pledge and assign, and grant a first lien and security interest in, the following (collectively, the "Trust Estate") to Amalgamated Bank of Chicago, as Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Village hereinafter set forth;

**GRANTING CLAUSE FIRST**

All right, title and interest of the Village in and to the Special Taxes, and any monies held under this Indenture by the Trustee, including the proceeds of the Series 2015 Bonds and the interest, profits and other income derived from the investment thereof other than amounts held by the Trustee in the Administrative Expense Fund and the Rebate Fund;

**GRANTING CLAUSE SECOND**

All funds, monies, property and security and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Series 2015 Bonds by the Village or by anyone on its behalf or with its written consent [including without limitation the Bond Insurance Policy] and the proceeds paid thereunder, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

TO HAVE AND TO HOLD, all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trust herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Series 2015 Bonds from time to time issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Series 2015 Bonds over any of the other Series 2015 Bonds (except as otherwise provided herein);

PROVIDED, HOWEVER, that if the Village, its successors or assigns, shall pay, or cause to be paid, the principal of, premium, if any, and interest on the Series 2015 Bonds due or to become due thereon, at the times and in the manner mentioned in the Series 2015 Bonds according to the true intent and meaning thereof, and shall cause the payments to be made on the Series 2015 Bonds as required under this Indenture, or shall provide, as permitted hereby, for the payment thereof pursuant to Article XII hereof and shall cause to be kept, performed and observed all of its covenants and conditions required to be kept, performed, and observed pursuant to the terms of this Indenture, and shall pay or cause to be paid all sums of money due or to become due in accordance with the terms and provisions hereof, then upon the final payment or upon the defeasance thereof, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Series 2015 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, and amounts hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as herein expressed, and the Village has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective owners of the Series 2015 Bonds as follows:

## **ARTICLE I**

### **STATUTORY AUTHORITY AND DEFINITIONS**

Section 1.1. Authority for this Indenture. This Indenture is entered into pursuant to the powers of the Village pursuant to Part 6 of Section 7 of Article VII of the 1970 Constitution of the State of Illinois and pursuant to the respective provisions of the Special Service Area Act, the Local Government Debt Reform Act and the Bond Ordinance.

Section 1.2. Agreement for Benefit of Owners of the Series 2015 Bonds. The provisions, covenants and agreements to be performed by or on behalf of the Village under this Indenture shall be for the equal benefit, protection and security of the Bondholders except as otherwise expressly provided herein. All of the Series 2015 Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2015 Bonds over any other of the Series 2015 Bonds, except as expressly provided in or permitted by this Indenture. The Trustee may become the owner of any of the Series 2015 Bonds in its own or any other capacity with the same rights it would have if it were not the Trustee.

Section 1.3. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.3 shall, for all purposes of the Indenture, of any Supplemental Indenture, and of

any certificate, opinion or other document mentioned in this Indenture, have the meanings specified below. All references in this Indenture to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision of this Indenture.

“Administrative Expenses” means the following actual or reasonably estimated costs permitted in accordance with the Special Service Area Act and directly related to the administration of the Special Service Area and the Series 2015 Bonds as determined by the Village or the Consultant on its behalf: including but not limited to the costs of computing the Special Taxes and of preparing the annual Special Taxes collection schedules; the costs of collecting the Special Taxes (whether by the Village, the County or otherwise), the costs of remitting the Special Taxes to the Trustee; the costs and expenses of the Trustee (including its legal counsel) and any fiscal agent in the discharge of the duties required of it under this Indenture or any trustee or fiscal agent agreement; the fees and expenses of any Bond Insurer required to be paid by the Village to the Bond Insurer pursuant to the provisions of this Indenture; the fees of any rating agency providing a rating on the Series 2015 Bonds; the costs of the Rebate Consultant; the costs of the Village or its designee in complying with disclosure requirements of applicable federal and state securities laws and of the Special Service Area Act, including, but not limited to, public inquiries regarding the Special Tax; the costs associated with the release of funds from any escrow account, any termination payments owed by the Village in connection with any guaranteed investment contracts, forward purchase agreements or other investment of funds held under the Indenture; and amounts advanced by the Village for any other administrative purposes of the Special Service Area, including the costs of prepayment of annual Special Tax, recordings related to the prepayment, discharge or satisfaction of Special Tax; the costs of commencing foreclosure and pursuing collection of delinquent Special Tax, and the reasonable fees of legal counsel of the Village incurred in connection with the foregoing.

“Administrative Expense Fund” means the fund by that name established pursuant to Section 7.4 of this Indenture.

“Administrative Services Agreement” means the Agreement dated April \_\_, 2015 between the Village and the Consultant providing for consulting services related to the Special Service Area, as the same may be amended, amended and restated, modified or supplemented from time to time.

“Authorized Denomination” means denominations of \$5,000 and integral multiples of \$1,000 in excess thereof.

“Authorized Officer” means the Village President, Village Treasurer, Village Administrator or the Village Clerk or any other officer designated as such pursuant to a certificate of the Village President delivered to the Trustee.

“Beneficial Owner” means, when the Series 2015 Bonds are in a book-entry system, any person who acquires a beneficial ownership interest in a Series 2015 Bond held by DTC. For purposes of the Sections of this Indenture requiring notice to or communications with Beneficial Owners, the Trustee, the Bond Registrar and the Village shall be entitled to treat as Beneficial Owners only such persons or entities that provide notice of their beneficial ownership of the



Series 2015 Bonds in writing to the Trustee and the Village at least three Business Days prior to the date upon which any notice or communication must be given by the Trustee, the Bond Registrar or the Village under this Indenture. Such notice shall be in form together with evidence of beneficial ownership satisfactory to the Trustee, the Bond Registrar and the Village and shall include the name of the Beneficial Owner, the address of the Beneficial Owner (which shall also include a delivery address if a post office box is given) and the principal amount of Series 2015 Bonds in which the Beneficial Owner has a beneficial ownership interest. The Trustee, the Bond Registrar and the Village may rely on any notice so given until such time as it is revoked or amended by subsequent written notice to the Trustee and the Village.

“Bond and Interest Fund” means the fund by that name established pursuant to Section 7.1 of this Indenture.

[“Bond Insurance Policy” means the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2015 Bonds when due.]

“Bond Insurer” means \_\_\_\_\_, a \_\_\_\_\_ company, or any successor thereto or assignee thereof.

“Bond Registrar” means Amalgamated Bank of Chicago, an Illinois banking corporation, and its successors or assigns.

“Bondholder” means the person in whose name such Series 2015 Bond is registered in the bond register maintained by the Bond Registrar.

“Business Day” means any day, other than (i) a Saturday or Sunday or (ii) any day on which the office of the Trustee [or the Bond Insurer] are closed or (iii) any day on which banking institutions are authorized or required by law, order or governmental decree to be closed in New York City, or in the State of New York.

“Closing Date” means \_\_\_\_\_, 2015, the date of issuance and delivery of the Series 2015 Bonds.

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

“Consultant” means MuniCap Inc. and its successors and assigns, or any other firm selected by the Village to assist it in administering the Special Service Area and the extension and collection of Special Taxes pursuant to the RMA (as defined below).

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement between the Village and the Dissemination Agent as set forth in Exhibit D.

“Corporate Authorities” means the President and Board of Trustees of the Village.

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 7.3 of this Indenture.

“County” means, Kane County, Illinois.

“Defeasance Securities” means any bond or other obligations, not subject to redemption or prepayment, which, as to both principal and interest, constitute direct obligations of, or the timely payment of which are unconditionally guaranteed by, the United States of America.

“Depository Participant” shall have the meaning given that term in Section 2.10 of this Indenture.

“DTC” means The Depository Trust Company, New York, New York.

“Establishing Ordinance” means Ordinance Number 01-10 adopted on March 20, 2001 by the Corporate Authorities.

“Event of Default” shall have the meaning given that term in Section 9.1 of this Indenture.

“Foreclosure Proceeds” means the proceeds of any redemption or sale of property in the Special Service Area sold as the result of a foreclosure action with respect to the lien of the Special Taxes.

“Government Securities” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of the United States of America and all securities and obligations, the prompt payment of principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America.

“Indenture” means this Trust Indenture dated as of April 1, 2015 between the Village and the Trustee, as amended and supplemented from time to time.

“Indirect Participant” shall have the meaning given that term in Section 2.10 of this Indenture.

“Interest Payment Date” means March 1 and September 1 of each year commencing on September 1, 2015.

“Letter of Representations” means the Blanket Issuer Letter of Representations dated March 13, 2001, from the Village to DTC, as amended from time to time.

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

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or consolidated or shall no longer perform the functions of a securities rating agency “Moody’s” shall refer to such other nationally recognized securities rating agency designated by the Village to the Trustee.

“Parcel” shall have the meaning given that term in the RMA.

“Penalty” shall have the meaning given that term in Section 8.1(b) of this Indenture.

“Purchase Contract” means the Bond Purchase Agreement dated \_\_\_\_\_, 2015 between the Purchaser and the Village.

“Purchaser” means Bernardi Securities, Inc.

“Qualified Investments” means, to the extent permitted by then applicable Illinois law, the following:

(i) Government Securities;

(ii) bonds, notes, debentures, or other similar direct obligations of the United States of America or its agencies in the highest general classification established by a rating service of nationally recognized expertise in rating such obligations, including (a) senior obligations by the Federal Home Loan Bank System; (b) senior debt obligations and participation certificates (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) issued by the Federal Home Loan Mortgage Corporation (“FHLMC”); (c) obligations of the Resolution Funding Corporation (“REFCORP”); and (d) senior debt obligations of the Student Loan Marketing Association (“SLMA”) (excluding securities that do not have a fixed par value or whose terms do not promise a fixed dollar amount at maturity or call date);

(iii) Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States (a) the Export-Import Bank of the United States, (b) the Federal Housing Administration, (c) the Government National Mortgage Association (“GNMA”), (d) the Rural Economic Community Development Administration (formerly known as the Farmers Home Administration), (e) the Federal Financing Bank, (f) the Department of Housing and Urban Development, (g) the General Services Administration, (h) the U.S. Maritime Administration, or (i) the Small Business Administration;

(iv) interest bearing certificates of deposit, interest bearing savings accounts, interest bearing time deposits, or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act which are insured by the Federal Deposit Insurance Corporation and which are either (a) U.S. dollar denominated deposit accounts, federal funds, bankers acceptances, and certificates of deposit of any bank whose short term debt obligations are rated “A-1 +” by S&P and “P-1” by Moody’s and maturing no more than 360 calendar days after the date of purchase (holding company ratings are not considered as rating of the bank) or (b) certificates of deposit of any bank, which certificates are fully insured by the Federal Deposit Insurance Corporation (“FDIC”);

(v) repurchase agreements of Government Securities which are subject to the Government Securities Act of 1986. The Government Securities, unless registered or inscribed in the name of the Village, shall be purchased through banks or trust companies authorized to do business in the State of Illinois. The repurchase agreements must also meet the following requirements: The repurchase agreements are with (a) any domestic bank, or domestic branch of a foreign bank, the long term debt which is rated at least “A” by S&P and “A2” by Moody’s; or (b) any broker dealer with “retail customers” or a related affiliate thereof which broker dealer has, or the parent company (which

guarantees the provider) of which has, long term debt rated at least “A” by S&P and “A2” by Moody’s, which broker dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (c) any other entity rated at least “A” by S&P and “A2” by Moody’s provided that:

(1) the repurchase agreement is collateralized with the obligations described in paragraphs (i) or (ii) above;

(2) the trustee will value the collateral securities at least weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within (2) business days;

(3) the market value of the collateral must be maintained at: 104% of the total principal of the repurchase agreement for obligations described in paragraphs (i) and (ii);

(4) the trustee or a third party acting solely as agent therefore or for the Village (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);

(5) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, and substituted collateral and all proceeds thereof; and

(6) the repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A-” by S&P or “A3” by Moody’s, as appropriate, the provider must, at the direction of the Village or the Trustee within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Village or Trustee.

(vi) money market mutual funds registered under the Investment Company Act of 1940 as amended and in agreements to repurchase such obligations and are rated in highest category by S&P;

together with such other investments as shall from time to time be lawful for the investment of Village funds provided that “Qualified Investments” shall not include a financial instrument, commonly known as a “derivative,” whose performance is derived, at least in part, from the performance of any underlying asset, including, without limitation, futures, options on securities, options on futures, forward contracts, swap agreements, structured notes and participations in pools of mortgages or other assets.

“Rebate Consultant” means an entity selected by the Village expert in the calculation of rebate amounts pursuant to Section 148 of the Code. \_\_\_\_\_ shall initially serve as the Rebate Consultant. If at any time the Rebate Consultant resigns or is

removed, and the Village shall not have appointed a successor within 30 days, the Rebate Consultant shall be an entity selected by the Trustee.

“Rebate Fund” means the fund by that name established pursuant to Section 7.5 of this Indenture.

“Rebate Requirement” shall have the meaning given that term in Article VIII of this Indenture.

“Recapturable Costs” shall have the meaning given that term in Section 5 of the Systems Agreement.

“Record Date” means the fifteenth day of the month preceding an Interest Payment Date.

“Reserve Fund” means the fund by that name created pursuant to Section 7.2 of this Indenture.

“Reserve Fund Credit” means the credit to be provided upon the prepayment of the Special Tax calculated in accordance with Section H of the RMA.

“Reserve Requirement” means an amount equal to \$\_\_\_\_\_, as reduced by Reserve Fund Credits transferred to the Special Redemption Account upon a redemption from prepayments as set forth in Section 7.1(e) of this Indenture.

“RMA” means the Village of Gilberts Special Service Area Number Nine Rate and Method of Apportionment of Special Tax prepared by David Taussig & Associates, Inc. in connection with the Village of Gilberts Special Service Area Number Nine.

“S&P” means Standard & Poor’s Ratings Services, a division of the McGraw Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally-recognized securities rating agency designated the Village to the Trustee.

“Series 2005 Bonds” means the Village’s Special Service Area Number Nine Special Tax Refunding Bonds, Series 2005 (Big Timber Project) in an original aggregate principal amount of \$27,525,000, \$18,090,000 of which are currently outstanding.

“Series 2005 Indenture” means the Trust Indenture dated as of September 1, 2005 between the Village and the Trustee as successor to Cole Taylor Bank, related to the Series 2005 Bonds.

“Series 2015 Bonds” means the Village’s Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project) in an aggregate principal amount of \$\_\_\_\_\_.

“Special Redemption Account” means the account by that name established pursuant to Section 7.1 of this Indenture.

“Special Service Area” means Village of Gilberts Special Service Area Number Nine, described more fully in Exhibit A to this Indenture.

“Special Service Area Act” means the Special Service Area Tax Law, 35 ILCS §200/27-5 et seq., as amended.

“Special Services” means the improvements benefiting the Special Service Area consisting of sewer treatment plant, sewer collection, and transmission facilities and mains, water wells, water treatment facilities, water storage and distribution facilities and mains, road improvement, site acquisition, engineering surveying and professional fees and costs and any other eligible costs under the Special Series Area Tax Law to serve the Special Service Area.

“Special Taxes” means the taxes levied by the Village on all taxable real property within the Special Service Area pursuant to the Special Tax Roll and this Indenture.

“System’s Agreement” means that certain Amended and Restated Systems Agreement dated as of March 21, 2001 by and between the Village, Harris Bank Barrington National Association, not personally, but as Trustee under trust agreement dated October 1, 1989 and known as Trust No. 11-4033, The Ryland Group, Inc., a Maryland corporation, Home State Bank Crystal Lake, N.A., not personally, but as Trustee under Trust Agreement Dated June 22, 2000 and known as trust No. 4934, Residential Development Group L.L.C., an Illinois limited liability company, Gilberts Land Holdings L.L.C., an Illinois limited liability company, Richard Barancik, and The Northern Trust Company, not personally but as Trustee under Trust Agreement dated June 30, 2000 and known as Trust No. 9717.

“Special Tax Requirement” means the Special Tax Requirement as defined in the RMA.

“Special Tax Roll” means the special tax roll for the payment of the Series 2015 Bonds established and amended from time to time pursuant to the RMA.

“Supplemental Indenture” means an indenture adopted by the Corporate Authorities of the Village as provided in Article XI hereof which amends or supplements this Indenture.

“Tax Agreement” or “Tax Agreements” means the Tax Compliance Certificate and Agreement of the Village dated the date of issuance and delivery of the Series 2015 Bonds, as amended from time to time.

“Trustee” means Amalgamated Bank of Chicago, an Illinois banking corporation, and its successors and assigns.

“Village” means the Village of Gilberts, Kane County, Illinois.

## **ARTICLE II**

### **BOND DETAILS**

Section 2.1. Purpose of Issuance; Amount of Series 2015 Bonds. The sum of \$\_\_\_\_\_ shall be borrowed by the Village pursuant to the Special Service Area Act and the

Local Government Debt Reform Act for the purpose of current refunding the Series 2005 Bonds (the proceeds of which Series 2005 Bonds were used to pay the costs of refunding the Series 2001 Bonds, the proceeds of which were used to pay costs of the Special Services), as well as the costs of the Village in connection with the issuance of the Series 2015 Bonds and the refunding of the Series 2005 Bonds, and deposits to the Reserve Fund. In evidence of such borrowing, Series 2015 Bonds in the aggregate principal amount of \$\_\_\_\_\_ shall be issued as provided in this Indenture. The total principal amount of bonds that may be issued pursuant to this Indenture is expressly limited to \$\_\_\_\_\_ except as set forth in Article III.

Section 2.2. Form; Denominations; Numbers. The Series 2015 Bonds shall be issued only in fully registered form without coupons and initially in the denominations of \$5,000 and integral multiples of \$1,000 in excess of that sum. The Series 2015 Bonds shall be designated “Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project)” and shall be numbered consecutively from R-1 upward but need not be authenticated or delivered in consecutive order.

Section 2.3. Date of Series 2015 Bonds: CUSIP Identification Numbers. The Series 2015 Bonds shall be dated as of the date of delivery of the Series 2015 Bonds to or upon the order of the Purchaser upon original issuance. CUSIP identification numbers shall be imprinted on the Series 2015 Bonds, provided that any failure on the part of the Village or the Trustee to use such CUSIP numbers in any notice to any Bondholders shall not constitute an event of default or any violation of the Village’s contract with such Bondholders and shall not impair the effectiveness of such notice.

Section 2.4. Maturities; Interest Rates. The Series 2015 Bonds shall mature and become payable on March 1 on the dates and in the amounts and shall bear interest at the rates set forth below:

<u>(March 1) Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		

Section 2.5. Interest. The Series 2015 Bonds shall bear interest at the rate set forth in Section 2.4 payable on the Interest Payment Dates in each year with the first Interest Payment Date, being September 1, 2015. Interest on the Series 2015 Bonds shall be calculated on the basis of a 360 day year composed of twelve 30-day months. Each Series 2015 Bond shall bear

interest from the Interest Payment Date next preceding the date of authentication of such Series 2015 Bond unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from its dated date; provided, however, that if at the time of authentication of a Series 2015 Bond, interest is in default on such Series 2015 Bond, such Series 2015 Bond shall bear interest from the Interest Payment Date to which interest had previously been paid or made available for payment on such Series 2015 Bond.

Section 2.6. Form of Series 2015 Bonds; Execution; Authentication. The Series 2015 Bonds shall be in substantially the form set forth in Exhibit B to this Indenture. Each Series 2015 Bond shall be executed by the manual or facsimile signature of the Village President and the manual or facsimile signature of the Village Clerk and shall have the corporate seal of the Village affixed to it (or a facsimile of that seal printed on it). The Village President and the Village Clerk (if they have not already done so) are authorized and directed to file with the Illinois Secretary of State their manual signatures certified by them pursuant to the Uniform Facsimile Signatures of Public Officials Act, as amended, which shall authorize the use of their facsimile signatures to execute the Series 2015 Bonds. Each Series 2015 Bond so executed shall be as effective as if manually executed. In case any officer of the Village whose signature or a facsimile of whose signature shall appear on the Series 2015 Bonds shall cease to be such officer before authentication and delivery of any of the Series 2015 Bonds, that signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

No Series 2015 Bond shall be valid for any purpose unless and until a certificate of authentication on that Series 2015 Bond substantially in the form set forth in the bond form in Exhibit B to this Indenture shall have been duly executed by the Trustee appointed by this Indenture as authenticating agent of the Village. Execution of that certificate upon any Series 2015 Bond shall be conclusive evidence that the Series 2015 Bond has been authenticated and delivered under this Indenture.

Section 2.7. Payment of the Series 2015 Bonds. The Series 2015 Bonds shall be payable in lawful money of the United States at the office of the Trustee. The principal of each Series 2015 Bond shall be payable at maturity upon presentment of the Series 2015 Bond at the office of the Trustee. Interest on each Series 2015 Bond shall be payable on each Interest Payment Date by check or draft of the Trustee mailed to the person in whose name that Series 2015 Bond is registered on the books of the Bond Registrar at the close of business on the Record Date. During such time as the Series 2015 Bonds are registered so as to participate in a securities depository system with DTC, principal of and interest and redemption premium on each Series 2015 Bond shall be payable by wire transfer pursuant to instructions from DTC.

Section 2.8. Appointment of Trustee. Amalgamated Bank of Chicago, is hereby appointed Trustee, Paying Agent and Bond Registrar for the Series 2015 Bonds.

Section 2.9. Registration of Series 2015 Bonds; Persons Treated as Owners. The Series 2015 Bonds shall be negotiable, subject to the following provisions for registration and



registration of transfer. The Village shall maintain books for the registration of the Series 2015 Bonds at the office of the Bond Registrar. Each Series 2015 Bond shall be fully registered on those books in the name of its owner, as to both principal and interest. Transfer of each Series 2015 Bond shall be registered only on those books upon surrender of that Series 2015 Bond to the Bond Registrar by the registered owner or his or her attorney duly authorized in writing together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney. Upon surrender of a Series 2015 Bond for registration of transfer, the Village shall execute, the Trustee shall authenticate, and the Bond Registrar shall deliver, in the name of the transferee, one or more new Series 2015 Bonds of the same aggregate principal amount and of the same maturity as the Series 2015 Bond surrendered.

Series 2015 Bonds may be exchanged, at the option of the registered owner, for an equal aggregate principal amount of Series 2015 Bonds of the same maturity of any other Authorized Denominations, upon surrender of those Series 2015 Bonds at the office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney.

In all cases in which the privilege of exchanging or transferring Series 2015 Bonds is exercised, the Village shall execute, the Trustee shall authenticate, and the Bond Registrar shall deliver, Series 2015 Bonds in accordance with the provisions of this Indenture. All Series 2015 Bonds surrendered in any exchange or transfer shall be canceled immediately by the Bond Registrar.

For every exchange or registration of transfer of Series 2015 Bonds, the Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the Village, required to be paid with respect to that exchange or registration of transfer, and payment of that charge by the person requesting exchange or registration of transfer shall be a condition precedent to that exchange or registration of transfer. No other charge may be made by the Village or the Bond Registrar as a condition precedent to exchange or registration of transfer of any Series 2015 Bond.

The Bond Registrar shall not be required to exchange or register the transfer of any Series 2015 Bond following the close of business on the 15th day of the month preceding any Interest Payment Date on such Series 2015 Bond, nor to transfer or exchange any Series 2015 Bond after notice calling such Series 2015 Bond for redemption has been mailed, nor during a period of 15 days next preceding mailing of a notice of redemption of any Series 2015 Bonds.

The Village, the Trustee and the Bond Registrar may treat the registered owner of any Series 2015 Bond as its absolute owner, whether or not that Series 2015 Bond is overdue, for the purpose of receiving payment of the principal of or interest on that Series 2015 Bond and for all other purposes, and neither the Village, the Bond Registrar nor the Trustee shall be affected by any notice to the contrary. Payment of the principal of and interest on each Series 2015 Bond shall be made only to its registered owner, and all such payments shall be valid and effective to satisfy the obligation of the Village on that Series 2015 Bond to the extent of the amount paid.

Section 2.10. Global Form; Securities Depository. It is intended that the Series 2015 Bonds be registered so as to participate in a securities depository system with DTC, as set forth

herein. The Series 2015 Bonds shall be initially issued in the form of a single fully registered Series 2015 Bond for each of the maturities as established in Section 2.4 of this Indenture. Upon initial issuance, the ownership of the Series 2015 Bonds shall be registered in the name of Cede & Co., or any successor thereto, as nominee for DTC. The Village and the Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the securities depository system of DTC, including the Letter of Representations. With respect to Series 2015 Bonds registered in the name of Cede & Co., as nominee of DTC, the Village, the Bond Registrar and the Trustee shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Series 2015 Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “Depository Participant”) or to any person on behalf of whom such a Depository Participant holds an interest in the Series 2015 Bonds (each such person being herein referred to as an “Indirect Participant”). Without limiting the immediately preceding sentence, the Village, the Bond Registrar and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to the ownership interest in the Series 2015 Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Series 2015 Bond, of any notice with respect to the Series 2015 Bonds, including any notice of redemption or (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Series 2015 Bond, of any amount with respect to principal of, premium, if any, or interest on, the Series 2015 Bonds. Notwithstanding the foregoing, the Village, the Bond Registrar and the Trustee shall have those obligations and responsibilities set forth in this Indenture with respect to Beneficial Owners who have provided notice of their beneficial ownership to the Village, the Bond Registrar and the Trustee as set forth in the definition of Beneficial Owner. While in the securities depository system of DTC, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Series 2015 Bond certificate with respect to any Series 2015 Bond. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Indenture with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Series 2015 Bonds at the close of business on the Record Date applicable to any Interest Payment Date, the name “Cede & Co.” in this Indenture shall refer to such new nominee of DTC.

In the event that (a) the Trustee determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representations, (b) the Letter of Representations shall be terminated for any reason or (c) the Village determines that it is in the best interests of the Beneficial Owners of the Series 2015 Bonds that they be able to obtain certificated Series 2015 Bonds, the Village shall notify DTC of the availability through DTC of Series 2015 Bond certificates and the Series 2015 Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Village may determine that the Series 2015 Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Village or such depository’s agent or designee, and if the Village does not select such alternate securities depository system then the Series 2015 Bonds may be registered in whatever name or names registered owners of Series 2015 Bonds transferring or exchanging Series 2015 Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provisions of this Indenture to the contrary, so long as any Series 2015 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Series 2015 Bonds and all notices with respect to the Series 2015 Bonds shall be made and given, respectively, in the manner provided in the Letter of Representations.

### **ARTICLE III**

#### **ADDITIONAL BONDS**

Only the Series 2015 Bonds and bonds issued to refund the Series 2015 Bonds, [with the consent of the Bond Insurer] will be issued under this Indenture. No additional bonds will be issued that are secured by a pledge of the Special Taxes other than bonds or other obligations issued for the purpose of refunding all or a portion of the Series 2015 Bonds.

### **ARTICLE IV**

#### **REDEMPTION OF SERIES 2015 BONDS**

Section 4.1. Mandatory Sinking Fund Redemption. The Series 2015 Bonds maturing March 1, \_\_\_\_, are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

The foregoing mandatory sinking fund requirements are subject to adjustment as described in Sections 4.2, 4.3 and 4.4 hereof.

The Village covenants that it will redeem the Series 2015 Bonds pursuant to the mandatory sinking fund redemption requirements for the Series 2015 Bonds. Proper provision for mandatory redemption having been made, the Village covenants that the Series 2015 Bonds so selected for redemption shall be payable upon redemption and taxes have been levied and will be collected as provided herein and in the Bond Ordinance for such purposes.

Section 4.2. Optional Redemption. The Series 2015 Bonds maturing on or after March 1, \_\_\_\_ are subject to optional redemption prior to maturity at the option of the Village, in whole or in part, on any date on or after March 1, \_\_\_\_, at par, plus accrued and unpaid interest to the date of redemption.

Any optional redemption of Series 2015 Bonds shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds maturing in each year and required to be redeemed by mandatory sinking fund redemption pursuant to Section 4.1 of this Indenture, and so as to maintain the proportion of principal maturing or subject to mandatory sinking fund redemption in each year to the total original principal amount of Series 2015 Bonds as of the date of issuance.

Section 4.3. Mandatory Redemption Upon Condemnation.

(a) The Series 2015 Bonds are subject to mandatory redemption on any Interest Payment Date, in part, at a redemption price equal to the principal amount to be redeemed, plus accrued and unpaid interest to the date of redemption, without premium, from amounts in the Bond and Interest Fund consisting of the proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property dedicated to, or owned by, the Village within the Special Service Area and allocable to the Series 2015 Bonds as determined by the Consultant and which proceeds are not used by the Village to rebuild the Special Services.

(b) Any mandatory redemption of the Series 2015 Bonds pursuant to this Section 4.3 shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds maturing in each year and required to be redeemed by mandatory sinking fund redemption pursuant to Section 4.1 of this Indenture and so as to maintain the proportion of principal maturing or subject to mandatory sinking fund redemption in each year to the total original principal amount of the Series 2015 Bonds as of the date of issuance.

Section 4.4. Special Mandatory Redemption from Optional Prepayment, Change in Density and Mandatory Redemption from Recapture.

(a) The Series 2015 Bonds are also subject to mandatory redemption on any March 1, June 1, September 1, or December 1, in part, from amounts available for disbursement from the Special Redemption Account – Prepayment Subaccount of the Bond and Interest Fund pursuant to Section 7.1(e)(ii) and from amounts transferred from the Reserve Fund to the Special Redemption Account pursuant to Section 7.1(e)(ii), at a redemption price of par, plus accrued interest on such Series 2015 Bonds to the date fixed for redemption.

(b) The Series 2015 Bonds are also subject to mandatory redemption on any Interest Payment Date, in part, from Recapturable Costs received by the Trustee pursuant to the Systems Agreement and on deposit in the Special Redemption Account – Recapture Subaccount of the Bond and Interest Fund pursuant to Section 7.1(e)(i), at a redemption price of par plus accrued and unpaid interest to the date of redemption.

(c) The Series 2015 Bonds are subject to mandatory redemption on any March 1, June 1, September 1 or December 1, in whole or in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, in the event of a mandatory prepayment of the Special Tax upon any event that reduces the total of the Maximum Parcel Special Taxes

as described in, and in the amounts set forth in, Section I of the RMA, including amounts transferred from the Reserve Fund to the Special Redemption Account pursuant to Section 7.1(e)(ii).

(d) Any mandatory redemption of the Series 2015 Bonds pursuant to this Section 4.4 shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds maturing in each year and required to be redeemed by mandatory sinking fund redemption pursuant to Section 4.1 of this Indenture and so as to maintain the proportion of principal maturing or subject to mandatory sinking fund redemption in each year to the total original principal amount of the Series 2015 Bonds as of the date of issuance.

Section 4.5. Redemption Provisions; Notice of Redemption. If less than all the Series 2015 Bonds of any maturity are to be redeemed on any redemption date, the Bond Registrar appointed in this Indenture shall assign to each Series 2015 Bond of the maturity to be redeemed a distinctive number for each \$1,000 of principal amount of that Series 2015 Bond. Any notice of optional redemption may state that such redemption is conditioned on and subject to the irrevocable deposit of funds sufficient to redeem the Series 2015 Bonds to be redeemed on the redemption date. The Bond Registrar shall then select by lot from the numbers so assigned, using such method as it shall deem proper in its discretion, as many numbers as, at \$1,000 per number, shall equal the principal amount of Series 2015 Bonds of that maturity to be redeemed; provided that following any redemption, no Series 2015 Bond shall be outstanding in an amount less than the minimum authorized denomination of \$5,000 except as necessary to effect the mandatory sinking fund redemption of Series 2015 Bonds as provided in Section 4.1 hereof.

Notice of the redemption of any Series 2015 Bonds, which by their terms shall have become subject to redemption, shall be given to the registered owner of each Series 2015 Bond or portion of a Series 2015 Bond called for redemption not less than 20 or more than 60 days before any date established for redemption of Series 2015 Bonds, by the Bond Registrar, on behalf of the Village, by first class mail sent to the registered owner's last address, if any, appearing on the registration books kept by the Bond Registrar. All notices of redemption shall include at least the designation, date and maturities of Series 2015 Bonds called for redemption, CUSIP Numbers, if available, and the date of redemption. In the case of a Series 2015 Bond to be redeemed in part only, the notice shall also specify the portion of the principal amount of the Series 2015 Bond to be redeemed. The mailing of the notice specified above to the registered owner of any Series 2015 Bond shall be a condition precedent to the redemption of that Series 2015 Bond, provided that any notice which is mailed in accordance with this Indenture shall be conclusively presumed to have been duly given whether or not the owner received the notice. The failure to mail notice to the owner of any Series 2015 Bond, or any defect in that notice, shall not affect the validity of the redemption of any other Series 2015 Bond for which notice was properly given. In the event that on the date of optional redemption sufficient funds are not on deposit with the Trustee to redeem all Bonds called for redemption, the redemption shall be revoked and the Trustee shall promptly send notice to the Bondholders of such event. Any failure to redeem Bonds pursuant to such optional redemption shall not be an event of default hereunder.

Section 4.6. Purchase in Lieu of Redemption. In lieu of redemption as provided in this Article IV, moneys in the Bond and Interest Fund may be used and withdrawn by the Village, for the purchase of outstanding Series 2015 Bonds, at public or private sale as and when, and at such prices (including brokerage and other charges) as the Village may provide, but in no event may Series 2015 Bonds be purchased at a price in excess of the principal amount of such Series 2015 Bonds, plus interest accrued to the date of purchase and any premium which would otherwise be due if such Series 2015 Bonds were to be redeemed in accordance with this Indenture.

## **ARTICLE V**

### **APPLICATION OF PROCEEDS**

Section 5.1. Application of Proceeds. The proceeds of the sale of the Series 2015 Bonds in the amount of \$\_\_\_\_\_ (representing \$\_\_\_\_\_ principal amount of the Bonds, plus net original issue premium of \$\_\_\_\_\_ and less underwriter's discount of \$\_\_\_\_\_, there being no accrued interest), shall be applied as follows immediately upon receipt of the purchase price:

(a) \$\_\_\_\_\_ shall be deposited into the Bond and Interest Fund for the Series 2005 Bonds and applied to current refund the outstanding Series 2005 Bonds.

(b) The amount of \$\_\_\_\_\_ shall be deposited in the Reserve Fund.

(c) The amount of \$\_\_\_\_\_ shall be deposited in the Administrative Expense Fund.

(d) The amount of \$\_\_\_\_\_ shall be deposited in the Costs of Issuance Fund.

(e) The amount of \$\_\_\_\_\_ shall be paid to the Bond Insurer, for the premium owed for the Bond Insurance Policy.

All amounts received upon the sale of the Series 2015 Bonds, together with all interest and other investment earnings on those amounts, are appropriated and set aside for the purposes for which the Series 2015 Bonds are being issued as set forth in this Indenture. In addition, (i) of the \$\_\_\_\_\_ of amounts on deposit with the trustee in the \_\_\_\_\_ Fund for the Series 2005 Bonds \$\_\_\_\_\_ are being transferred to the Bond and Interest Fund for the Series 2005 Bonds to pay principal and interest due on the Series 2005 Bonds on \_\_\_\_\_, 2015; (ii) all amounts on deposit in the Administrative Expense Fund for the Series 2005 Bonds (\$\_\_\_\_\_) shall be transferred to and deposited in the Administrative Expense Fund for the Series 2015 Bonds; and (iii) any excess investment earnings on the amounts held in the funds and accounts described above shall be transferred to the Bond and Interest Fund for the Series 2015 Bonds to pay first interest coming due. Pursuant to the Bond Ordinance, amounts collected from the 2014 levy of Special Taxes pursuant to the Series 2005 Bond Ordinance shall be deposited, when collected into the Bond and Interest Fund for application in accordance with Section 7.1 hereof.

## ARTICLE VI

### SECURITY FOR THE SERIES 2015 BONDS

Section 6.1. Limited Obligations. The Series 2015 Bonds shall constitute limited obligations of the Village, payable solely from the Special Taxes and other moneys deposited in the Funds and Accounts established pursuant to Article VII other than the Administrative Expense Fund and the Rebate Fund. **The Series 2015 Bonds shall not constitute general obligations of the Village and neither the full faith and credit nor the unlimited taxing power of the Village shall be pledged as security for payment of the Series 2015 Bonds.**

Section 6.2. Levy of Special Tax.

(a) Pursuant to the Bond Ordinance there have been levied Special Taxes upon all taxable real property within the Special Service Area subject to the Special Taxes sufficient to pay and discharge the principal of the Series 2015 Bonds at maturity or mandatory sinking fund redemption dates and to pay interest on the Series 2015 Bonds for each year at the interest rates set forth in Section 2.4 of this Indenture and to pay for the Administrative Expenses of the Village for each year and to fund and replenish the Reserve Fund to an amount equal to the Reserve Requirement.

(b) The Village Clerk has been directed to file a certified copy of the Bond Ordinance, and an accurate map of the Special Service Area, with the County Clerk of Kane County. Pursuant to the Special Tax Roll, the Special Taxes shall be divided among all taxable real property within the Special Service Area in accordance with the terms of the Establishing Ordinance and the RMA. It shall be the duty of the Village and the Village hereby covenants, annually on or before the last Tuesday of December for each of the years 2015 through 2028 to calculate or cause the Consultant to calculate the Special Tax Requirement; to amend the Special Tax Roll pursuant to the RMA and provide the County tax collector with the amended Special Tax Roll; to adopt an ordinance approving the amount of the current calendar years Special Tax Requirement; and by ordinance direct the County Clerk of Kane County to extend the Special Taxes for collection on the tax books against all of the taxable real property within the Special Service Area subject to the Special Taxes in connection with other taxes levied in each of such years for general Village purposes. In the event the Kane County Clerk refuses to extend the Special Taxes for collection, the Village shall bill and collect the Special Taxes directly. The Special Taxes shall be computed, extended and collected in accordance with the RMA and the Special Tax Roll, and divided among the taxable real property within the Special Service Area in accordance with the terms of the Establishing Ordinance and the RMA. The Special Taxes authorized to be levied by the Bond Ordinance shall be abated each year to the extent the taxes levied pursuant to the Bond Ordinance exceed the Special Tax Requirement as calculated by the Village pursuant to the Establishing Ordinance and RMA. On or before the last Tuesday of January for each of the years 2016 through 2029 the Village shall notify the Trustee and the Bond Insurer of the amount of the Special Tax Requirement and the amount of the Special Taxes to be abated. The Village shall take all actions which shall be necessary to provide for the

levy, extension, collection and application of the taxes levied by the Bond Ordinance, including enforcement of such taxes as provided by law.

(c) Upon receipt by the Trustee of any optional prepayment of Special Taxes in an amount calculated by the Consultant as being required pursuant to the RMA to satisfy the lien on a Parcel within the Special Service Area, the Village and the Trustee shall execute a Satisfaction of Tax Lien substantially in the form of Exhibit C hereto, appropriately completed and the Trustee shall file or cause to be filed the Satisfaction of Tax Lien with the Recorder of Deeds of Kane County, Illinois. The Trustee shall deliver a copy of each such Satisfaction of Tax Lien to the property owner of record.

## **ARTICLE VII**

### **FUNDS AND ACCOUNTS**

#### **Section 7.1. Bond and Interest Fund.**

(a) There is hereby created and established with the Trustee a separate and special fund of the Village established exclusively for paying principal of, interest on and redemption premium on the Series 2015 Bonds and which shall be designated as “The Special Service Area Number Nine Special Tax Refunding Bonds, Bond and Interest Fund” (the “Bond and Interest Fund”). When collected, the Special Taxes, including amounts transferred to the Trustee from the Bond and Interest Fund created for the Series 2005 Bonds, and the Foreclosure Proceeds, including any interest and penalties collected in connection with such Special Taxes or Foreclosure Proceeds, shall be placed in the Bond and Interest Fund. In addition, proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property dedicated to or owned by the Village within the Special Service Area allocable to the Bonds which is not used to rebuild the Special Services shall be deposited in the Bond and Interest Fund and the Village shall identify for the Trustee the amount so deposited. Moneys deposited in the Bond and Interest Fund and investments of the Bond and Interest Fund shall never be commingled with or loaned to any other funds of the Village. All interest and other investment earnings on the Bond and Interest Fund shall become, when received, a part of the Bond and Interest Fund. The Village shall file with the County a Segregation Order and Authorization Agreement for Automatic Deposits (ACH Credits) directing that the Special Taxes be segregated and remitted directly to the Trustee.

(b) Amounts deposited in the Bond and Interest Fund are appropriated for and irrevocably pledged to, and shall be used solely for the purpose of, paying the principal of and interest and redemption premium on the Series 2015 Bonds, or for transfers to the Reserve Fund or the Administrative Expense Fund as permitted by paragraph (c) of this Section 7.1 and by Section 7.2.

(c) At any time after September 1 but in no event later than December 1 of each year, the Trustee shall determine the amount needed to pay principal of and interest and redemption premium on the Series 2015 Bonds on the next succeeding Interest Payment Date. If the Trustee has determined that sufficient amounts are on deposit in the



Bond and Interest Fund to pay principal of, interest on and redemption premium due on the Series 2015 Bonds on the next succeeding Interest Payment Date, the Trustee shall notify the Village of any excess amounts on deposit in the Bond and Interest Fund, and, at the written direction of the Village, shall transfer an amount from the Bond and Interest Fund to the Administrative Expense Fund which the Village has determined will be adequate, together with other amounts in the Administrative Expense Fund or reasonably expected to be transferred to or deposited in such Fund, to pay all Administrative Expenses during the succeeding calendar year. After making such transfer to the Administrative Expense Fund any excess amounts on deposit in the Bond and Interest Fund shall be transferred to the Reserve Fund to the extent necessary to replenish the Reserve Fund to the Reserve Requirement. If any excess amounts exist in the Bond and Interest Fund, after making the foregoing deposits, such excess shall be considered by the Village when determining the amount of Special Taxes to be collected pursuant to Section 6.2(b).

(d) [Reserved.]

(e) There is hereby created within the Bond and Interest Fund established with the Trustee a separate account designated the “Special Redemption Account.” There are created within the Special Redemption Account two subaccounts designated “Special Redemption Account – Recapture Subaccount” and “Special Redemption Account – Prepayment Subaccount”.

(i) All Recapturable Costs received by the Trustee pursuant to the Systems Agreement and any recapture ordinance enacted pursuant to Section 5 thereof shall be deposited in the Special Redemption Account – Recapture Subaccount. Moneys in the Special Redemption Account – Recapture Subaccount shall be used exclusively to redeem Series 2015 Bonds pursuant to Section 4.4(b) or to pay debt service on the Series 2015 Bonds pursuant to the Section 7.1. When the amount on deposit in the Special Redemption Account – Recapture Subaccount equals \$1,000, such amount shall be used to redeem the Series 2015 Bonds on the next Interest Payment Date in accordance with Section 4.4(b). On each such Interest Payment Date, the Trustee shall withdraw from the Special Redemption Account – Recapture Subaccount and pay to the owners of the Series 2015 Bonds the amounts to redeem the Series 2015 Bonds pursuant to Section 4.4(b). Notwithstanding the foregoing, any amounts contained in the Special Redemption Account – Recapture Subaccount for a continuous period of thirty (30) months and which will not be used to redeem Series 2015 Bonds on the next Interest Payment Date in accordance with the immediately preceding sentence and Section 4.4(b) shall be used to pay debt service on the Series 2015 Bonds on the next Interest Payment Date. Any amounts contained in the Special Redemption Account – Recapture Subaccount on the final maturity date of the Series 2015 Bonds shall be used to pay outstanding debt service on the Series 2015 Bonds.

(ii) All prepayments of Special Taxes made in accordance with the RMA shall be deposited in the Special Redemption Account – Prepayment

Subaccount. Moneys in the Special Redemption Account – Prepayment Subaccount shall be used exclusively to redeem Series 2015 Bonds pursuant to Section 4.4(a) or (c) or to pay debt service on the Series 2015 Bonds pursuant to this Section 7.1. In the event of any prepayment of Special Tax, prior to giving notice of the redemption of Series 2015 Bonds in accordance with Section 4.5 of this Indenture, the Trustee shall transfer from the Reserve Fund to the Special Redemption Account – Prepayment Subaccount an amount equal to the Reserve Fund Credit as determined by and upon the direction of the Consultant. When the amount on deposit in the Special Redemption Account – Prepayment Subaccount equals \$1,000, such amount shall be used to redeem the Series 2015 Bonds on the next March 1, June 1, September 1 or December 1 in accordance with Section 4.4(a) or (c). On each such March 1, June 1, September 1 or December 1, the Trustee shall withdraw from the Special Redemption Account – Prepayment Subaccount and pay to the owners of the Series 2015 Bonds the amounts to redeem the Series 2015 Bonds pursuant to Section 4.4(a) or (c). Notwithstanding the foregoing, any amounts contained in the Special Redemption Account – Prepayment Subaccount for a continuous period of thirty (30) months and which will not be used to redeem the Series 2015 Bonds on the next March 1, June 1, September 1 or December 1 in accordance with the immediately preceding sentence and Section 4.4(a) or (c) shall be used to pay debt service on the Series 2015 Bonds on the next Interest Payment Date. Any amounts contained in the Special Redemption Account – Prepayment Subaccount on the final maturity date of the Series 2015 Bonds shall be used to pay outstanding debt service on the Series 2015 Bonds.

Section 7.2. Reserve Fund. There is hereby created and established with the Trustee a separate and special fund of the Village which shall be designated as “The Special Service Area Number Nine Special Tax Refunding Bonds, Reserve Fund” (the “Reserve Fund”), which must be maintained in an amount equal to the Reserve Requirement. The Reserve Requirement shall be in the amount of \$\_\_\_\_\_, as reduced by the amount of any Reserve Fund Credit pursuant to Section 7.1(e). Amounts deposited in the Reserve Fund shall be used solely for the purpose of (i) making transfers to the Bond and Interest Fund without further direction to pay the principal of, including mandatory sinking fund payments, and interest and any premium on, all Series 2015 Bonds when due, in the event that moneys in the Bond and Interest Fund are insufficient therefore, (ii) making any transfers to the Bond and Interest Fund if the aggregate balance in the Reserve Fund exceeds the amount required to redeem all Series 2015 Bonds then outstanding, (iii) making transfers to the Special Redemption Account – Prepayment Subaccount pursuant to Section 7.1(e), or (iv) if the amount then on deposit in the Reserve Fund is at least equal to the Reserve Requirement, for transfer in accordance with the next paragraph.

On the Business Day prior to each Interest Payment Date, moneys in the Reserve Fund in excess of the Reserve Requirement shall be transferred by the Trustee from the Reserve Fund to the Bond and Interest Fund to be used for the payment of interest on Series 2015 Bonds on the next following Interest Payment Date.

Section 7.3. Cost of Issuance Fund. There is hereby created and established with the Trustee a separate and special fund of the Village which shall be designated as the “Special

Service Area Number Nine Special Tax Refunding Bond Costs of Issuance Fund” (the “Costs of Issuance Fund”). Amounts deposited in the Costs of Issuance Fund shall be used solely for the purpose of paying costs incurred in connection with the issuance of the Series 2015 Bonds and the refunding of the Series 2005 Bonds. Disbursements from the Costs of Issuance Fund shall be made by the Trustee upon receipt of a request of the Village which shall (i) set forth the amount required to be disbursed, the purpose for which the disbursement is to be made, and payment instructions to the Trustee for the amount to be reimbursed; and (ii) certify that no portion of the amount then being requested to be disbursed was set forth in any previous request for disbursement. On the date which is six (6) months after the date of issuance of the Series 2015 Bonds, the Trustee shall transfer all amounts remaining in the Costs of Issuance Fund to the Bond and Interest Fund.

Section 7.4. Administrative Expense Fund. There is hereby created and established with the Trustee a separate and special fund of the Village which shall be designated as “The Special Service Area Number Nine Special Tax Refunding Bonds, Administrative Expense Fund” (the “Administrative Expense Fund”). Amounts in the Administrative Expense Fund shall be withdrawn by the Trustee and paid to the Village or its order upon receipt by the Trustee of a written request from an Authorized Officer stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense, and the nature of such Administrative Expense.

Section 7.5. Rebate Fund. There is hereby created and established with the Trustee a separate and special fund of the Village which shall be designated as “The Special Service Area Number Nine Special Tax Refunding Bonds, Rebate Fund” (the “Rebate Fund”), into which there shall be deposited as directed by Village as necessary investment earnings in the Bond and Interest Fund and the Reserve Fund to the extent required so as to maintain the tax exempt status of interest on the Series 2015 Bonds. All rebates, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) shall be payable from the Rebate Fund as directed in writing by the Village.

Section 7.6. Investment of Funds. Moneys on deposit in Funds and Accounts established hereunder may be invested from time to time in Qualified Investments pursuant to directions from the Village to the Trustee provided that moneys on deposit in the Special Redemption Account shall be invested only in Qualified Investments having a maturity on or prior to the next occurring March 1, June 1, September 1, or December 1. Except as otherwise expressly provided herein, earnings or losses on such investments shall be attributed to the Fund or Account for which the investment was made. In the event that the Trustee does not receive directions from the Village to invest funds held hereunder, the Trustee shall invest such funds in investments described in clause (vii) of Qualified Investments. The Trustee is hereby authorized to execute purchases and sales of Qualified Investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. The Trustee shall send statements to the Village and the Consultant on a monthly basis reflecting activity in the account for the preceding month. Although the Village recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Village hereby agrees that confirmations of Qualified Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered.

Notwithstanding anything herein to the contrary, at the written direction of the Village the Trustee shall invest amounts on deposit in the Special Redemption Account of the Bond and Interest Fund such that the yield on the investment does not exceed the yield on the Series 2015 Bonds. Investments on deposit in all funds and accounts established hereunder shall be valued at market value at least quarterly.

## ARTICLE VIII

### COVENANTS AND AGREEMENTS OF THE VILLAGE

Section 8.1. Tax Covenants. The Village covenants with the holders of the Series 2015 Bonds and the Series 2005 Bonds from time to time outstanding that it (i) will take all actions which are necessary to be taken (and avoid any actions which it is necessary to avoid being taken) so that interest on the Series 2015 Bonds and the Series 2005 Bonds will not be or become included in gross income for federal income tax purposes under existing law, including without limitation the Code; (ii) will take all actions reasonably within its power to take which are necessary to be taken (and avoid taking any actions which are reasonably within its power to avoid taking and which are necessary to avoid) so that interest on the Series 2015 Bonds and the Series 2005 Bonds will not be or become included in gross income for federal income tax purposes under the federal income tax laws as in effect from time to time; and (iii) will take no action or permit any action in the investment of the proceeds of the Series 2015 Bonds, proceeds of the Series 2005 Bonds, amounts in the Bond and Interest Fund, or any other funds of the Village which would result in making interest on the Series 2015 Bonds or the Series 2005 Bonds subject to federal income taxes by reason of causing the Series 2015 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, or direct or permit any action inconsistent with the regulations under the Code as promulgated and as amended from time to time and as applicable to the Series 2015 Bonds and the Series 2005 Bonds. The Village President, Village Clerk, Village Administrator and Village Treasurer are authorized and directed to take such action as is necessary in order to carry out the issuance and delivery of the Series 2015 Bonds including, without limitation, to make any representations and certifications they deem proper pertaining to the use of the proceeds of the Series 2015 Bonds and moneys in the Funds and Accounts established hereunder in order to establish that the Series 2015 Bonds shall not constitute arbitrage bonds as so defined.

(a) The Village further covenants as follows with respect to the requirements of Section 148(f) of the Code, relating to the rebate of “excess arbitrage profits” (the “Rebate Requirement”) to the United States:

(i) Unless an applicable exception to the Rebate Requirement is available to the Village, the Village will meet the Rebate Requirement.

(ii) Relating to applicable exceptions, the Village shall make such elections under the Code as it shall deem reasonable and in the best interests of the Village. If such election may result in a “penalty in lieu of rebate” as provided in the Code, and such penalty is incurred (the “Penalty”), then the Village shall pay such Penalty.

(iii) The Village shall cause to be established, at such time and in such manner as it shall deem necessary or appropriate hereunder, the Rebate Fund for the Series 2015 Bonds, and the Village shall further, not less frequently than every five years, cause to be transferred to the Rebate Fund the amount determined to be the accrued liability under the Rebate Requirement or Penalty. The Village shall cause to be paid to the United States, without further order or direction from the Corporate Authorities, from time to time as required, amounts sufficient to meet the Rebate Requirement or to pay the Penalty.

(iv) Interest earnings in the Bond and Interest Fund and the Reserve Fund are hereby authorized to be transferred, without further order or direction from the Corporate Authorities, from time to time as required, to the Rebate Fund for the purposes herein provided; and proceeds of the Series 2015 Bonds, investment earnings or amounts on deposit in any of the other funds and accounts created hereunder and any other funds of the Village are also hereby authorized to be used to meet the Rebate Requirement or to pay the Penalty, but only if necessary after application of investment earnings as aforesaid and only as appropriated by the Corporate Authorities.

Section 8.2. Levy and Collection of Taxes. The Village covenants with the holders of the Series 2015 Bonds from time to time outstanding that:

(a) it will take all actions, if any, which shall be necessary, in order to further provide for the levy, extension, collection and application of the taxes levied by this Indenture and the Bond Ordinance including enforcement of the Special Taxes as provided by law;

(b) it will not take any action which would adversely affect the levy, extension, collection and application of the taxes levied by this Indenture and the Bond Ordinance, except to abate those taxes to the extent permitted by this Indenture and the RMA; and

(c) it will comply with all requirements of the Special Service Area Act, the Bond Ordinance and other applicable present and future laws concerning the levy, extension and collection of the taxes levied by this Indenture and the Bond Ordinance; in each case so that the Village shall be able to pay the principal of and interest on the Series 2015 Bonds as they come due, and to fund and replenish the Reserve Fund to the Reserve Requirement and it will take all actions necessary to assure the timely collection of the Special Taxes, including without limitation, the enforcement of any delinquent Special Taxes by providing the County of Kane with such information as is deemed necessary to enable the County to include any property subject to a delinquent Special Tax in the County Collector's annual tax sale and, in the event that a tax lien is forfeited at such sale, the commencement and maintenance of an action to foreclose the lien of any delinquent Special Taxes, all in the manner provided by law.

Section 8.3. Proper Books and Records. The Village will keep, or cause the Trustee to keep, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the

deposits to and expenditure of amounts disbursed from the Funds and Accounts created hereunder and the Special Tax. Such books of record and accounts shall at all times during business hours be subject to the inspection of the holders of not less than ten percent (10%) of the principal amount of the Series 2015 Bonds then outstanding, or their representatives authorized in writing. The Village, or the Trustee on behalf of the Village, upon written request will mail to the Purchaser any information relating to the Series 2015 Bonds, the Special Service Area or the Special Services, including, but not limited to, the annual audits of the Funds and Accounts established under this Indenture for each and every year.

Section 8.4. Against Encumbrances. Except as set forth herein, the Village has not heretofore made a pledge of, granted a lien or security interest in, or made an assignment or sale of, the Special Taxes that ranks on a parity with or prior to the pledge granted under this Indenture. The Village will not encumber, pledge or place any charge or lien upon any of the Special Taxes or other amounts pledged to the Series 2015 Bonds superior to, on a parity with, or junior to, the pledge and lien created in this Indenture for the benefit of the Series 2015 Bonds, except as permitted by, or specifically set forth in, this Indenture, including the issuance of refunding bonds.

Section 8.5. Continuing Disclosure Agreement. The Village agrees to execute and deliver the Continuing Disclosure Agreement. In addition, the Village agrees to provide to the Trustee (i) a copy of any reports regarding collection of taxes, delinquencies, tax sales, foreclosures and such other information as is provided by the Consultant to the Village pursuant to Section \_\_\_\_ of the Administrative Services Agreement and (ii) a copy of the Village's annual audited financial statements.

Section 8.6. [Municipal Bond Insurance Policy; Covenants In Favor of Bond Insurer. Notwithstanding any other provisions set forth in this Indenture, the provisions of this Section shall govern so long as the Bond Insurance Policy is in effect and shall be enforceable solely by and subject to waiver or amendment at the sole discretion of the Bond Insurer.

(a) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Fund. Notwithstanding anything to the contrary set forth herein, amounts on deposit in the Reserve Fund shall be applied solely to the payment of debt service due on the Series 2015 Bonds, including Reserve Fund Credits as described in Section 7.2 hereof.

(b) The Bond Insurer shall be deemed to be the sole holder of the Series 2015 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 2015 Bonds insured by it are entitled to take pursuant to this Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of this Indenture and each Series 2015 Bond, the Trustee and each Bondholder appoint the Bond Insurer as their agent and attorney-in-fact and agree that the Bond Insurer may at any time during the continuation of any proceeding by or against the Village under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any

claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedes or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Bondholder delegate and assign to the Bond Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders shall expressly include mandamus.

(c) The Bond Insurer shall be a third party beneficiary under this Indenture.

(d) Any amendment, supplement, modification to, or waiver of, this Indenture that requires the consent of Bondowners or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

(e) The rights granted to the Bond Insurer under this Indenture to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Bond Insurer.

(f) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Bond Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by Standard & Poor's Corporation ("S&P") and Moody's Investor Service, Inc. ("Moody's"), respectively, or (5) subject to the prior written consent of the Bond Insurer, securities eligible for "AAA" defeasance under then existing criteria of S & P or any combination thereof, shall be used to effect defeasance of the Series 2015 Bonds unless the Bond Insurer otherwise approves.

To accomplish defeasance unless otherwise waived by the Bond Insurer, the Village shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Bond Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Series 2015 Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Series 2015 Bonds are no longer "Outstanding" under this Indenture and (iv) a certificate of discharge of the

Trustee with respect to the Series 2015 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Village, Trustee and the Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

Bonds shall be deemed “Outstanding” under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

(g) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of this Indenture and the Series 2015 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Village in accordance with this Indenture. This Indenture shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

(h) The Village covenants and agrees to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

(i) The Trustee covenants and agrees to file all continuation statements as are necessary from time to time to preserve the priority of the pledge of the Trust Estate.

(j) Claims Upon the Bond Insurance Policy and Payments by and to the Bond Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under this Indenture, moneys sufficient to pay the principal of and interest on the Series 2015 Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the “Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2015 Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2015 Bonds and the amount required to pay principal of the Series 2015 Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

The Trustee shall designate any portion of payment of principal on Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking kind redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series



2015 Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Series 2015 Bond shall have no effect on the amount of principal or interest payable by the Village on any Bond or the subrogation rights of the Bond Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Series 2015 Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Bondholders in the same manner as principal and interest payments are to be made with respect to the Series 2015 Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Village agrees to pay to the Bond Insurer, but solely from Special Taxes and the Trust Estate (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2015 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Village hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Series 2015 Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Bond Insurer.

(k) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2015 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Village to the Bond Insurer under this Indenture shall survive discharge or termination of this Indenture.

(l) The Village shall pay or reimburse the Bond Insurer but solely from the Special Taxes and the Trust Estate any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security under this Indenture; (ii) the pursuit of any remedies under this Indenture or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, this Indenture whether or not executed or completed, or (iv) any litigation or other dispute in connection with this Indenture or the transactions contemplated hereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Indenture.

(m) The Bond Insurer shall be entitled to pay principal or interest on the Series 2015 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Village (as such terms are defined in the Bond Insurance Policy) whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(n) The notice address of the Bond Insurer is: Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director — Surveillance, Re: Policy No. , Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED,”

(o) The Bond Insurer shall be provided with the following information:

(i) The Village shall provide the annual audited financial statements within 180 days after the end of the Village’s fiscal year (together with a certification of the Village that it is not aware of any default or Event of Default under this Indenture), and the Village’s annual budget within 30 days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(ii) The Trustee shall provide notice of any draw upon the Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Requirement and (ii) withdrawals in connection with a refunding of Series 2015 Bonds;

(iii) The Trustee and the Village shall provide notice of any Event of Default known to the Trustee or Village within five Business Days after knowledge thereof;

(iv) The Trustee shall provide prior notice of the advance refunding or redemption of any of the Series 2015 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) The Trustee and the Village shall provide notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) The Village shall provide notice of the commencement of any proceeding by or against the Village commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”);

(vii) The Village shall provide notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 2015 Bonds;

(viii) The Village shall provide a full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to this Indenture; and

(ix) The Trustee and the Village shall provide all reports, notices and correspondence to be delivered to Bondholders under the terms of this Indenture.

In addition, to the extent that the Village has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Series 2015 Bonds, all information furnished pursuant to such agreements shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.

(p) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(q) The Village will permit the Bond Insurer to discuss the affairs, finances and accounts of the Village or any information the Bond Insurer may reasonably request regarding the security for the Series 2015 Bonds with appropriate officers of the Village and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Village on any business day upon reasonable prior notice.

(r) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in this Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such

issuance and (2) unless the Reserve Fund is fully funded at the Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Bond Insurer.

(s) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Series 2015 Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Bond Insurance Policy.

(t) The Village shall not enter into any contract or take any action by which the rights of the Bond Insurer or security for or sources of payment of the Series 2015 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

(u) Any interest rate exchange agreement ("Swap Agreement") entered into by the Village shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Bond Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Series 2015 Bonds and on any debt on parity with the Series 2015 Bonds. The Village shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Bond Insurer prior to the payment of any such termination amount that such payment will not cause the Village to be in default under this Indenture, including but not limited to, any monetary obligations hereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by S&P and Moody's. If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Bond Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Bond Insurer, shall be required.]

## **ARTICLE IX**

### **DEFAULTS AND REMEDIES**

Section 9.1. Events of Default. "Events of Default" under this Indenture are as follows:

(a) Default shall be made by the Village in the payment of the principal of or premium, if any, on any Series 2015 Bond when and as the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise.

(b) Default shall be made by the Village in the payment of any installment of interest on any Series 2015 Bond when and as such installment of interest shall become due and payable.

(c) The Village shall (1) commence a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, (2) make an assignment for the benefit of its creditors, (3) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (4) be adjudicated a bankrupt or have entered against it any order for relief in respect of any involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law and such order shall continue in effect for a period of 60 days without stay or vacation.

(d) A court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the Village, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the Village under the Federal bankruptcy laws or any other applicable Federal or state law or statute and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof.

(e) Under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Village or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control.

(f) The Village shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Series 2015 Bonds, the Bond Ordinance or in this Indenture on the part of the Village to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Village by the Trustee (which may give such notice whenever it reasonably determines that such a default exists and shall give such notice at the written request of the holders of not less than 25% in principal amount of the Series 2015 Bonds then outstanding).

Section 9.2. Remedies. Upon the occurrence of an Event of Default the Trustee may [(with the prior written consent of the Bond Insurer),] or upon the written request of the holders of 25% in principal amount of the outstanding Series 2015 Bonds affected by the Event of Default and upon being indemnified as provided in Section 10.2(i) hereof shall, proceed to protect and enforce its rights and the rights of the holders of the Series 2015 Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effective to protect and enforce the rights aforesaid.

During the continuance of an Event of Default, all moneys received by the Trustee under this Indenture from the Village or from any other source shall be applied by the Trustee in accordance with the terms of Section 9.10 hereof.

Any judgment against the Village shall be enforceable only against the amounts pledged pursuant to this Indenture. There shall not be authorized any deficiency judgment against any assets of, or the general credit of, the Village.

THE SERIES 2015 BONDS SHALL NOT BE SUBJECT TO ACCELERATION UPON THE OCCURRENCE OF AN EVENT OF DEFAULT.

Section 9.3. Notice of Default. The Trustee shall, within five Business Days after the Trustee receives notice or obtains knowledge of the occurrence of an Event of Default, mail to the Village, [the Bond Insurer,] the Bondholders at the address shown on the registration books of the Village maintained by the Bond Registrar notice of all Events of Default known to the Trustee unless such Events of Default shall have been cured before the giving of such notice.

Section 9.4. Termination of Proceedings by Trustee. In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Village, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 9.5. Right of Bondholders to Control Proceedings. The holders of a majority in principal amount of the Series 2015 Bonds then outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder in respect of the Series 2015 Bonds; provided that such direction shall not be otherwise than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby.

Section 9.6. Right of Bondholders to Institute Suit. No holder of any of the Series 2015 Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or for any other remedy hereunder or on the Series 2015 Bonds unless such holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided, and unless also or the holder, or holders, of 25% in principal amount of the outstanding Series 2015 Bonds affected by the Event of Default shall have made written request of the Trustee after the right to exercise such powers, or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its name; and unless, also, there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or for any other remedy hereunder; it being understood and intended that no one or more holders of the Series 2015 Bonds shall have any right in any

manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of the outstanding Series 2015 Bonds.

Nothing in this Section 9.6 contained shall, however, affect or impair the right of any Bondholder, which is absolute and unconditional, to enforce the payment of the principal of and interest on the Bondholder's Series 2015 Bonds out of the Bond and Interest Fund, or the obligation of the Village to pay the same, out of the Bond and Interest Fund, at the time and place in the Series 2015 Bonds expressed.

Section 9.7. Suits by Trustee. All rights of action under this Indenture, or under any of the Series 2015 Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Series 2015 Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, or proceeding, instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Series 2015 Bonds affected by such suit or proceeding, subject to the provisions of this Indenture.

Section 9.8. Remedies Cumulative. No remedy herein conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 9.9. Waiver of Default. No delay or omission of the Trustee or of any Bondholder to exercise any right or power shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article IX to the Trustee and the Bondholders, respectively, may be exercised from time to time, and as often as may be deemed expedient.

Section 9.10. Application of Moneys After Default. The Village covenants that if an Event of Default shall happen and shall not have been remedied, the Trustee shall apply moneys, securities and funds on deposit in the Funds and Accounts established pursuant to Article VII or received by the Trustee pursuant to any right given or action taken under the provisions of this Section as follows and in the following order:

(a) To the payment of the reasonable and proper charges, expenses and liabilities of the Trustee, the Bond Registrar and any paying agent, including the reasonable fees and expenses of outside counsel for the Trustee, Bond Registrar and any paying agent and the payment of Administrative Expenses owed to the Village or the Consultant.

(b) To the payment of the principal and interest then due on the Series 2015 Bonds as follows:

(i) first, to the payment to the persons entitled thereto of all interest then due or payable on the Series 2015 Bonds in the order of the maturity of such installments;

(ii) second, to the payment to the persons entitled thereto of the unpaid installments of principal of any of the Series 2015 Bonds which have become due in the order of the maturity of such installments; and

(iii) [third, to the payment of amounts due and payable to the Bond Insurer not paid pursuant to b(i) and b(ii) above].

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this paragraph, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The deposit of such moneys with the paying agent, or otherwise setting aside such moneys, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Village, to any Bondholder or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Series 2015 Bond on which payment shall be made, and shall not be required to make payment to the holder of any unpaid Series 2015 Bond until such Series 2015 Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

## **ARTICLE X**

### **TRUSTEE**

Section 10.1. Appointment of the Trustee. The Trustee hereunder is hereby constituted and appointed as the trustee of an express trust hereby created for the Bondholders. The further rights and duties of the Trustee are set forth in this Article X.

Section 10.2. Performance of Duties. The Trustee shall perform such duties and only such duties as are specifically set forth in this Indenture, using such care as a corporate trustee ordinarily would use in performing trusts under a corporate indenture or trust or depository agreement.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(a) The duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the



performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Indenture.

(c) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(d) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority (or such larger percentage as is otherwise specifically required by the terms hereof) in aggregate principal amount of all the Series 2015 Bonds at the time outstanding.

(e) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the exercise of any of its rights or powers.

(f) At any and all reasonable times, upon first providing 48 hours' notice to the Village, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the books, papers and records of the Village pertaining to the Special Services and the Series 2015 Bonds, and to take such memoranda from and in regard thereto as may be desired.

(g) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers granted by this Indenture or otherwise in respect of the premises.

(h) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the withdrawal of any cash or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, reasonably necessary to establish the right of the Village to the withdrawal of any cash or the taking of any other action by the Trustee.

(i) Before taking any action under Section 9.2, the Trustee may require that a satisfactory indemnity bond or other security satisfactory to it be furnished by the party requesting that the Trustee take such action for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is

adjudicated to have resulted from the negligence or willful default of the Trustee in connection with any action so taken.

(j) All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received.

Section 10.3. Instruments Upon Which Trustee May Rely. Except as otherwise provided in paragraph (b) hereof:

(a) The Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) Any notice, request, direction, election, order or demand of the Village mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Village by its Village President or its Village Clerk (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Corporate Authorities may be evidenced to the Trustee by a copy thereof certified by the Village Clerk under the Village seal;

(c) The Trustee may consult with reputable counsel (who may but need not be counsel for the Village) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel;

(d) Whenever in the administration of the trusts under this Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of the Village; and such certificate of the Village shall, in the absence of negligence or bad faith on the part of the Trustee, be full warranty to the Trustee for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof.

Section 10.4. Trustee not Responsible for Recitals and Other Matters. The Trustee shall not be responsible in any manner whatsoever for the correctness of the recitals herein or in the Series 2015 Bonds (except the Trustee's certificate of authentication thereon), all of which are made by the Village solely; and the Trustee shall not be responsible or accountable in any manner whatsoever for or with respect to the validity or execution or sufficiency of this Indenture, or of any indenture supplemental hereto, or of the Bond Ordinance or the Series 2015 Bonds, or the sufficiency of the taxes levied to pay the principal of and interest on the Series 2015 Bonds, or for the security afforded hereby or for the validity of any securities at any time held hereunder, and the Trustee makes no representation with respect thereto. The Trustee shall not be accountable for the use or application by the Village of the proceeds of any Series 2015 Bonds authenticated and delivered hereunder, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Indenture.

Section 10.5. Trustee May Acquire Series 2015 Bonds. The Trustee and its officers and directors may acquire and hold, or become the pledgee of, Series 2015 Bonds and may otherwise deal with the Village in the manner and to the same extent and with like effect as though it were not Trustee hereunder.

Section 10.6. Qualification of Trustee. There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States or any state thereof, authorized under such laws to exercise corporate trust powers, having a combined capital, surplus and undivided profits of at least \$25,000,000, and subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this paragraph the combined capital, surplus and undivided profits of such corporation shall be deemed to be its combined capital, surplus and undivided profits as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this paragraph, the Trustee shall resign immediately in the manner and with the effect specified in Section 10.7.

Section 10.7. Resignation or Removal of Trustee and Appointment of Successor.

(a) The Trustee may at any time resign by giving written notice to the Village, the Bond Insurer and the Bondholders by first class mail to the names and addresses shown on the list maintained by the Bond Registrar. Upon receiving such notice of resignation, the Village shall promptly appoint a successor Trustee by an instrument in writing executed by order of the Village. If no successor Trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, or any Bondholder who has been a bona fide holder of a Series 2015 Bond or Series 2015 Bonds for at least six months may, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

(b) In case at any time any of the following shall occur:

(i) The Trustee shall cease to be eligible in accordance with the provisions of Section 10.6 and shall fail to resign after written request therefor by the Village or any Bondholder who has been a bona fide holder of a Series 2015 Bond or Series 2015 Bonds for at least six months, or

(ii) The Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, the Village may remove the Trustee and appoint a successor Trustee by an instrument in writing executed by order of the Village or any Bondholder may, on behalf of himself and all others similarly situated, petition any court of

competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor Trustee.

(c) The holders of a majority in aggregate principal amount of all the Series 2015 Bonds at the time outstanding may (with the prior written consent of the Bond Insurer), at any time, remove the Trustee and appoint a successor Trustee by an instrument or concurrent instruments in writing signed by such Bondholders. Such successor Trustee shall be a corporation authorized under applicable laws to exercise corporate trust powers, may be incorporated under the laws of the United States or of any State within the United States. Such successor Trustee shall satisfy the minimum combined capital, surplus and undivided profits requirement set forth in Section 10.6.

(d) The Village, subject to the approval of the holders of a majority in aggregate principal amount of all the Series 2015 Bonds at the time outstanding and the Bond Insurer, may at any time remove the Trustee and appoint a successor Trustee by an instrument in writing signed by the Village and accompanied by an instrument or concurrent instruments in writing signed by such Bondholders approving such removal and appointment.

(e) Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section 10.7 shall become effective upon acceptance of appointment by the successor Trustee as provided in Section 10.8.

Section 10.8. Concerning the Successor Trustee. Any successor Trustee appointed as provided in Section 10.7 shall execute, acknowledge and deliver to the Village and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder, with like effect as if originally named as Trustee herein; but nevertheless on the written request of the Village or the request of the successor Trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act. Upon request of any such successor Trustee, the Village shall execute any and all instruments in writing more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and duties. Any Trustee ceasing to act shall nevertheless be entitled to receive the amounts due it as compensation, reimbursement, expenses and indemnity afforded to it by this Article X.

No successor Trustee shall accept appointment as provided in this Section 10.8 unless at the time of such acceptance such successor Trustee shall be eligible under the provisions of Section 10.6.

Upon the acceptance of appointment by a successor Trustee as provided in this Section 10.8, the Village shall mail a copy of such notice to each person whose name appears as an owner of Series 2015 Bonds on the list maintained by the Bond Registrar. If the Village fails to mail such notice within 10 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Village.

Section 10.9. Reserved.

Section 10.10. Monthly Statements. The Trustee shall provide the Purchaser, the Consultant and the Village with a monthly statement, commencing June 1, 2015, itemizing all moneys received by it and all payments made by it under this Indenture during the preceding monthly period.

The Trustee shall provide to the Purchaser, the Consultant and the Village, or their designees, such information relating to the Series 2015 Bonds and the Funds and Accounts maintained by the Trustee under this Indenture as the Purchaser and the Village shall reasonably request, including but not limited to monthly statements reporting funds held and transactions by the Trustee described above. The Trustee shall also provide to each Beneficial Owner owning at least \$1,000,000 in aggregate principal amount of the Bonds upon written request the following:

- (a) Copies of all notices given by the Trustee to, or requests for consent requested by the Trustee from, the Bondholders;
- (b) Notices or reports given by the Village to the Trustee pursuant to this Indenture;
- (c) Any notice required to be given to the Beneficial Owners under this Indenture;
- (d) Copies of all amendments and supplements to this Indenture; and
- (e) The name and telephone number of the officer of the Trustee who will provide information required to be delivered pursuant to this Section 10.9, if different than the name and telephone number set forth in Section 13.2 hereof.

Section 10.11. Merger, Consolidation, or Succession to Business. Any corporation or association into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation or association to which all or substantially all of the corporate trust business of the Trustee may be sold or otherwise transferred, shall be the successor trustee hereunder without any further act.

## **ARTICLE XI**

### **SUPPLEMENTAL INDENTURES**

Section 11.1. Supplemental Indentures Not Requiring Consent of Bondholders. The Village by the Corporate Authorities, and the Trustee from time to time and at any time, subject to the conditions and restrictions in this Indenture contained, may pass and accept an indenture or indentures supplemental hereto, which indenture or indentures thereafter shall form a part hereof, for any one or more of the following purposes:

(a) To add to the covenants and agreements of the Village in this Indenture contained, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Village;

(b) To grant to or confer upon the Trustee for the benefit of the owners of the Series 2015 Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners or the Trustee;

(c) To modify, amend or supplement this Indenture in such manner as to permit, if presented, the qualification of this Indenture under the Trust Indenture Act of 1939 or any similar federal statute then in effect or under any state blue sky law;

(d) To surrender any right, power or privilege reserved to or conferred upon the Village by the terms of this Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Village contained in this Indenture; and

(e) To issue refunding bonds subject to the limitations set forth in the RMA and the Establishing Ordinance.

Any supplemental indenture authorized by the provisions of this Section 11.1 may be executed by the Village, by the Corporate Authorities, and by the Trustee without the consent of the registered owners of any of the Series 2015 Bonds at the time outstanding, but only upon receipt of an opinion of bond counsel if requested pursuant to the provisions of Section 11.6, notwithstanding any of the provisions of Section 11.2, but the Trustee shall not be obligated to accept any provision of such supplemental indenture to the extent that it affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 11.2. Supplemental Indentures Requiring Consent of Bondholders. With the consent (evidenced as provided herein) of the Bond Insurer and the registered owners of not less than a majority in aggregate principal amount of the Series 2015 Bonds at the time outstanding, but only upon receipt of an opinion of bond counsel if requested pursuant to the provisions of Section 11.6, the Village, by the Corporate Authorities may pass, and the Trustee may accept from time to time and at any time an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this indenture or of any supplemental indenture; provided that no such modification or amendment shall extend the maturity or reduce the principal of or the interest rate on or otherwise alter or impair the obligation of the Village to pay the principal, interest or redemption premium, if any, at the time and place and at the rate and in the currency provided therein of any Series 2015 Bond without the express consent of the Bond Insurer and the registered owner of such Series 2015 Bond or permit the creation of a preference or priority of any Series 2015 Bond or Series 2015 Bonds over any other Series 2015 Bond or Series 2015 Bonds or reduce the percentage of Series 2015 Bonds, respectively, required for the affirmative vote or written consent to an amendment or modification, or deprive the Bond Insurer and the registered owners of the Series 2015 Bonds, respectively, (except as aforesaid) of the right to payment of the Series 2015 Bonds, respectively, from the Special Taxes and the Foreclosure Proceeds without the consent of the registered owners of all the Series 2015 Bonds (as the case may be) then outstanding. Upon receipt by the Trustee of a certified copy of such Indenture and upon the

filing with the Trustee of evidence of the consent of the Bond Insurer and the Bondholders as aforesaid, the Trustee shall accept such supplemental indenture, but the Trustee shall not be obligated to accept any provision of such supplemental indenture to the extent that it affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

It shall not be necessary for the consent of the Bondholders under this paragraph to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the passage by the Village and the acceptance by the Trustee of any supplemental indenture pertaining to the Series 2015 Bonds pursuant to the provisions of this paragraph, the Village shall publish a notice, setting forth in general terms the substance of such supplemental indenture, at least once in a financial newspaper or journal printed in the English language, customarily published on each business day and of general circulation among dealers in municipal securities in the City of New York, New York. If, because of temporary or permanent suspension of the publication or general circulation of any financial newspaper or journal or for any other reason it is impossible or impractical to publish such notice of supplemental indenture in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient publication of notice. Any failure of the Village to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Section 11.3. Supplemental Indenture to Modify this Indenture. Upon the execution of any supplemental indenture pursuant to the provisions of this Article XI, and upon receipt of the opinion of bond counsel if required by the provisions of Section 11.6, this Indenture shall be modified and amended in accordance therewith and the respective rights, duties and obligations under this Indenture of the Village, the Trustee and all registered owners of Series 2015 Bonds, respectively, outstanding thereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 11.4. Trustee May Rely Upon Opinion of Counsel Re: Supplemental Indenture. The Trustee may receive an opinion of counsel as conclusive evidence that any supplemental indenture executed pursuant to the provisions of this Article XI complies with the requirements of this Article XI.

Section 11.5. Notation. Series 2015 Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article XI may bear a notation, in form approved by the Trustee, as to any matter provided for in such supplemental indenture, and if such supplemental indenture shall so provide, new Series 2015 Bonds, so modified as to conform, in the opinion of the Trustee and the Corporate Authorities, to any modification of this Indenture contained in any such supplemental indenture, may be prepared by the Village, authenticated by the Trustee and delivered without cost to the registered owners of the Series 2015 Bonds then outstanding, upon surrender for cancellation of such Series 2015 Bonds in equal aggregate principal amounts.

Section 11.6. Opinion of Counsel. Prior to the adoption of a supplemental indenture executed pursuant to the provisions of this Article XI the Trustee shall give written notice by mail to the registered owners of all Series 2015 Bonds Outstanding at the addresses as set forth in the Register of the Series 2015 Bonds held by the Bond Registrar of the substance of the proposed supplemental indenture. If within 10 days of the Trustee's mailing such notice any registered owner of the Series 2015 Bonds requests that an opinion of bond counsel be delivered to the effect that such supplemental indenture will not adversely affect the exclusion from gross income of interest on the Series 2015 Bonds for federal income tax purposes, such supplemental indenture shall not become effective until such opinion has been delivered to the Trustee.

## **ARTICLE XII**

### **DEFEASANCE**

#### **Section 12.1. Defeasance.**

(a) If the Village shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders of all Series 2015 Bonds the principal or redemption price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, then the pledge of the Trust Estate, and all covenants, agreements and other obligations of the Village to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Village to be prepared and filed with the Village and, upon the request of the Village, shall execute and deliver to the Village all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Village all moneys or securities held pursuant to this Indenture which are not required for the payment of principal or redemption price, if applicable, of and interest on the Series 2015 Bonds. If the Village shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders of all Outstanding Series 2015 Bonds of a particular series or maturity within a series the principal or redemption price and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Series 2015 Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Village to the Bondholders of such Series 2015 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Series 2015 Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the Village of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 12.1. In addition, any Outstanding Series 2015 Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 12.1 upon compliance with the provisions of subsection (c) of this Section 12.1.



(c) Subject to the provisions of subsection (d) of this Section 12.1, any Outstanding Series 2015 Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 12.1 if:

(i) in case any of said Series 2015 Bonds are to be redeemed on any date prior to their maturity, the Village shall have given to the Trustee irrevocable instructions accepted in writing by the Trustee to give as provided in Section 4.5 notice of redemption of such Series 2015 Bonds on said date;

(ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient or Defeasance Securities, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, if applicable, and interest due and to become due on said Series 2015 Bonds on or prior to the redemption date or maturity date thereof, as the case may be;

(iii) there shall have been delivered a verification report by a verifier acceptable to the Village which shall be in form and substances satisfactory to Village that verifies the sufficiency of the funds and/or securities deposited with the Trustee for the payment, when due, of the principal or redemption price, if applicable, and interest due and to become due on said Series 2015 Bonds on or prior to the redemption date or maturity date thereof, as the case may be;

(iv) an opinion of bond counsel shall be rendered to the Village to the effect that all of the requirements of this Indenture for defeasance of the Series 2015 Bonds have been met; and

(v) in the event said Series 2015 Bonds do not mature, are not by their terms subject to redemption or, under the plan of refunding applicable thereto, are not to be redeemed, in each case, within the next succeeding ninety (90) days, the Village shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable, by first-class mail, postage prepaid, to the owners of such Series 2015 Bonds at their last addresses appearing on the books of the Village kept at the office of the Bond Registrar a notice that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 12.1 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Series 2015 Bonds.

(d) Anything in this Indenture to the contrary notwithstanding, any moneys held in trust for the payment and discharge of any of the Series 2015 Bonds which remain unclaimed for one year after the date when such Series 2015 Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption shall be repaid to the Village, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged, with respect thereto and the Bondholders shall

look only to the Village for the payment of such Bonds; provided, however, that before being required to make any such payment to the Village, the Trustee shall, at the expense of the Village, give to the owners of such Bonds as to which any moneys remain unclaimed, by first class mail, postage prepaid, at the last address of such owners appearing on the books of the Village kept at the office of the Bond Registrar, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of mailing of such notice, the balance of such moneys then unclaimed will be returned to the Village.

(e) Upon the payment or defeasance of all outstanding Series 2015 Bonds as provided in this Article XII, and provided no refunding bonds are outstanding which are secured by the Special Taxes, the Trustee and the Village shall execute a Satisfaction of Tax Lien substantially in the form of Exhibit C hereto for all Parcels for which a satisfaction of tax lien has not previously been delivered and the Village shall file or cause to be filed such Satisfaction of Tax Lien with the Recorders of Deeds of Kane County, Illinois.

## **ARTICLE XIII**

### **MISCELLANEOUS**

Section 13.1. Severability. If any provision of this Indenture shall be held or deemed to be illegal, inoperative or unenforceable under applicable law or interpreted in such manner as to be prohibited by or be held invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Indenture.

Section 13.2. Notices. Except as otherwise provided in this Indenture, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when personally delivered or mailed by certified mail, postage prepaid, or when sent by telecopy (receipt confirmed by telephone) or telegram, addressed as follows:

If to the Village:	Village of Gilberts 87 Galligan Road Gilberts, Illinois 60136 Attention: Village President Telephone: 847-428-2861 Telecopier: 847-428-2955
If to the Trustee:	Amalgamated Bank of Chicago One West Monroe Street Chicago, Illinois 60603 Attention: Corporate Trust Department Telephone: (312) 822-8505 Telecopier: (312) 267-8783

If to the Purchaser: Bernardi Securities, Inc.  
20 South Clark Street, Suite 2700  
Chicago, Illinois 60603  
Attention: Robert Vail  
Telephone: (312) 281-2015  
Telecopier: (312) 726-1431

Section 13.3. Holidays. If any date for the payment of an amount hereunder or the taking of any other action required or permitted to be taken hereunder, is not a Business Day, then such payment shall be due, or such action shall or may be taken, as the case may be, on the first Business Day thereafter with the same force and effect as if done on the nominal date provided in this Indenture.

Section 13.4. Execution of Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.5. Applicable Law. This Indenture shall be governed by and construed in accordance with the internal laws of the State.

Section 13.6. Immunity of Officers, Employees, Elected Officials of Village. No recourse shall be had for the payment of the principal of or premium, if any, or interest on any of the Series 2015 Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture or any agreement supplemental hereto, against any past, present or future president, trustee or other officer, director, member, employee, attorney or agent of the Village, or any incorporator, officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Village or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of any of the Series 2015 Bonds.

IN WITNESS WHEREOF, the Village of Gilberts, Illinois has caused these presents to be signed in its name and on its behalf by its Village President and its corporate seal to be hereunto affixed and attested by its Village Clerk and to evidence its acceptance of the trusts hereby created Amalgamated Bank of Chicago has caused these presents to be signed in its name and on its behalf by its Authorized Officer, its official seal to be hereunto affixed and the same to be attested by its Authorized Officer, all as of the day and year first above written.

VILLAGE OF GILBERTS, ILLINOIS

By: \_\_\_\_\_  
Village President

[SEAL]

Attest:

By: \_\_\_\_\_  
Village Clerk

AMALGAMATED BANK OF CHICAGO, as  
Trustee

By: \_\_\_\_\_  
Authorized Officer

[SEAL]

Attest:

By: \_\_\_\_\_  
Authorized Officer

## **EXHIBIT A**

### **VILLAGE OF GILBERTS**

#### **SPECIAL SERVICE AREA NUMBER NINE**

##### **PARCEL 1:**

THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 26 AND THE SOUTHWEST QUARTER OF SECTION 25 (EXCEPT THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY AND THE RIGHT OF WAY OF THE ELGIN AND THE BELVIDERE ELECTRIC COMPANY AS PER DOCUMENT 751880) AND THAT PART OF THE NORTHWEST QUARTER OF SECTION 36 LYING NORTH OF THE CENTERLINE OF BIG TIMBER ROAD AS PER DOCUMENT NUMBER 376207 (EXCEPT THAT PARCEL OF LAND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF SECTION 36, THENCE NORTH ALONG THE EAST LINE OF SAID NORTHWEST QUARTER A DISTANCE OF 127.71 TO THE CENTERLINE OF THE RIGHT OF WAY OF THE BIG TIMBER ROAD, THENCE WESTERLY ALONG SAID CENTERLINE A DISTANCE OF 271.24 FEET TO A POINT OF CURVETURE, THENCE WESTERLY ALONG SAID CENTERLINE BEING A CURVED LINE CONVEX TO THE NORTH AND HAVING A RADIUS OF 49,110.70 FEET, AN ARC LENGTH OF 915.13 TO THE POINT OF BEGINNING, THENCE NORTHEASTERLY ALONG A LINE FORMED BY AN ANGLE OF 90 DEGREES, 53 MINUTES, 54 SECONDS TO THE LEFT WITH THE LAST DESCRIBED COURSE A DISTANCE OF 399.81 FEET, THENCE NORTHWESTERLY ALONG A LINE FORMED BY AN ANGLE OF 90 DEGREES, 00 MINUTES, 00 SECONDS TO THE LAST DESCRIBED COURSE A DISTANCE OF 272.25 FEET, THENCE SOUTHWESTERLY ALONG A LINE FORMED BY AN ANGLE OF 90 DEGREES, 00 MINUTES, 00 SECONDS TO THE LAST DESCRIBED COURSE A DISTANCE OF 398.83 FEET TO A POINT AT THE INTERSECTION WITH SAID CENTERLINE OF BIG TIMBER ROAD, THENCE EASTERLY ALONG SAID CENTERLINE BEING A CURVED LINE CONVEX TO THE NORTH AND HAVING A RADIUS OF 49,110.70 FEET, AN ARC LENGTH OF 272.25 FEET TO THE POINT OF BEGINNING), ALL IN SECTION 36, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS.

##### **PARCEL 2:**

THE NORTH 1 ROD OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

##### **PARCEL 3:**

THAT PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THE FORMER RIGHT

OF WAY OF THE ELGIN, BELVIDERE AND ROCKFORD RAILWAY COMPANY, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 4:

THAT PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE WEST HALF OF SAID SOUTHEAST QUARTER; THENCE SOUTH ALONG THE EAST LINE OF THE WEST HALF OF SAID SOUTHEAST QUARTER 1082.85 FEET; THENCE WEST ALONG A LINE FORMING AN ANGLE OF 88 DEGREES, 48 MINUTES TO THE RIGHT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE, 31.87 FEET (THIS POINT HEREINAFTER REFERRED TO AS POINT "A"); THENCE WESTERLY ALONG A LINE FORMING AN ANGLE OF 04 DEGREES, 05 MINUTES TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 860.80 FEET TO THE EASTERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY FOR THE POINT OF BEGINNING; THENCE EASTERLY ALONG THE LAST DESCRIBED COURSE 860.80 FEET TO SAID POINT "A"; THENCE EASTERLY ALONG A LINE FORMING AN ANGLE OF 04 DEGREES, 05 MINUTES TO THE RIGHT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE, 31.87 FEET TO THE EAST LINE OF THE WEST HALF OF SAID SOUTHEAST QUARTER; THENCE SOUTH ALONG SAID EAST LINE 33.01 FEET TO A POINT 1531 FEET NORTH OF THE SOUTHEAST CORNER OF THE WEST HALF OF SAID SOUTHEAST QUARTER; THENCE WEST ALONG A LINE FORMING AN ANGLE OF 88 DEGREES 48 MINUTES TO THE RIGHT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 30 FEET; THENCE WESTERLY ALONG A LINE FORMING AN ANGLE OF 4 DEGREES 07 MINUTES TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 816.40 FEET TO A LINE DRAWN PARALLEL WITH AND 30 FEET EASTERLY OF, MEASURED AT RIGHT ANGLES THERETO, SAID EASTERLY RAILWAY RIGHT OF WAY LINE; THENCE SOUTHERLY ALONG SAID PARALLEL LINE, WHICH FORMS AN ANGLE OF 110 DEGREES, 28 MINUTES TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 120.0 FEET; THENCE WESTERLY AT RIGHT ANGLES TO THE LAST DESCRIBED COURSE 30 FEET TO SAID EASTERLY RAILWAY RIGHT OF WAY LINE; THENCE NORTHWESTERLY ALONG SAID EASTERLY RIGHT OF WAY LINE TO THE POINT OF BEGINNING; IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 5:

THAT PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 7, EAST OF TEE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF THE WEST HALF OF SAID SOUTHEAST QUARTER, THENCE WEST ALONG THE NORTH LINE OF SAID QUARTER SECTION 484.7 FEET FOR THE POINT OF BEGINNING; THENCE SOUTHERLY ALONG A LINE FORMING AN ANGLE OF 84 DEGREES, 31 MINUTES, 00 SECONDS TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 207.4 FEET; THENCE EASTERLY ALONG A LINE FORMING AN

ANGLE OF 94 DEGREES 52 MINUTES, 00 SECONDS TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 504 FEET TO THE EAST LINE OF THE WEST HALF OF SAID SOUTHEAST QUARTER; THENCE SOUTH ALONG SAID EAST LINE 870.9 FEET; THENCE WESTERLY ALONG A LINE FORMING AN ANGLE OF 88 DEGREES, 48 MINUTES, 00 SECONDS TO THE RIGHT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 31.87 FEET; THENCE WESTERLY ALONG A LINE FORMING AN ANGLE OF 04 DEGREES, 05 MINUTES, 00 SECONDS TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE 860.8 FEET TO THE EASTERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY; THENCE NORTHWESTERLY ALONG SAID EASTERLY RIGHT OF WAY LINE, BEING ALONG A LINE FORMING AN ANGLE OF 69 DEGREES, 36 MINUTES, 40 SECONDS TO THE RIGHT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE, TO THE WEST LINE OF SAID SOUTHEAST QUARTER; THENCE NORTH ALONG SAID WEST LINE TO THE NORTH LINE OF SAID SOUTHEAST QUARTER; THENCE EAST ALONG SAID NORTH LINE 851.3 FEET TO THE POINT OF BEGINNING (EXCEPT THAT PART FALLING IN THE NORTH 16.5 FEET OF SAID SOUTHEAST QUARTER); IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 6:

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING WESTERLY OF THE WESTERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY AND EASTERLY OF A LINE DRAWN PARALLEL WITH AND 50 FEET WESTERLY OF, MEASURED AT RIGHT ANGLES THERETO, SAID WESTERLY RIGHT OF WAY LINE, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 7:

THAT PART OF THE NORTHWEST QUARTER OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: THE SOUTHERLY RIGHT OF WAY OF BIG TIMBER ROAD IN SAID SECTION 36.

PARCEL 8:

THAT PART OF THE EAST 1/2 OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION 36 WHICH IS 1128 FEET EAST OF THE CENTER OF SAID SECTION; THENCE EAST ALONG SAID SOUTH LINE TO THE EASTERLY RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY; THENCE SOUTHERLY ALONG SAID EASTERLY RIGHT OF WAY LINE TO THE CENTER LINE OF BIG TIMBER. ROAD; THENCE EASTERLY ALONG SAID CENTER LINE TO THE EAST LINE OF SAID SECTION; THENCE NORTH ALONG SAID EAST LINE TO A POINT 684.95 FEET SOUTH OF THE NORTHEAST CORNER OF SAID SECTION; THENCE WESTERLY ALONG A LINE FORMING AN ANGLE OF 91 DEGREES 02 MINUTES TO THE LEFT WITH THE

PROLONGATION OF THE LAST DESCRIBED COURSE, 1173.71 FEET TO THE EASTERLY RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY; THENCE NORTHWESTERLY ALONG SAID EASTERLY RIGHT OF WAY LINE 183.79 FEET TO AN ANGLE IN SAID LINE; THENCE NORTHWESTERLY ALONG SAID EASTERLY RIGHT OF WAY LINE, WHICH FORMS AN ANGLE OF 54 MINUTES TO THE LEFT WITH THE PROLONGATION OF THE LAST DESCRIBED COURSE, 570 FEET TO THE NORTH LINE OF SAID SECTION; THENCE WEST ALONG SAID NORTH LINE TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION; THENCE SOUTH ALONG THE WEST LINE OF SAID NORTHEAST 1/4 TO THE CENTER LINE OF BIG TIMBER ROAD; THENCE SOUTHEASTERLY ALONG SAID CENTER LINE TO THE SOUTH LINE OF SAID NORTHEAST 1/4; THENCE CONTINUING SOUTHEASTERLY ALONG SAID CENTER LINE 866 FEET; THENCE NORTHERLY 340 FEET TO THE POINT OF BEGINNING (EXCEPT THE 100 FEET RIGHT OF WAY OF THE CHICAGO AND NORTHWESTERN RAILWAY COMPANY); IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 9:

THAT PART OF THE SOUTHEAST 1/4 OF SECTION 36, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE CENTER LINE OF BIG TIMBER ROAD WITH THE NORTH LINE OF SAID SOUTHEAST 1/4; THENCE SOUTHEASTERLY ALONG SAID CENTER LINE 866 FEET FOR THE POINT OF BEGINNING; THENCE CONTINUING SOUTHEASTERLY ALONG SAID CENTER LINE TO THE WESTERLY RIGHT OF WAY LINE OF THE CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY; THENCE NORTHERLY ALONG SAID WESTERLY RIGHT OF WAY LINE TO THE NORTH LINE OF SAID SOUTHEAST 1/4; THENCE WEST ALONG SAID NORTH LINE TO A POINT 1128 FEET EAST OF, AS MEASURED ALONG SAID NORTH LINE, THE CENTER OF SAID SECTION; THENCE SOUTH TO THE POINT OF BEGINNING, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS.

PARCEL 10

THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 7, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE TOWNSHIP OF RUTLAND, KANE COUNTY, ILLINOIS, LYING NORTH OF A TRACT OF LAND DEDICATED AS A PUBLIC HIGHWAY KNOWN AS BIG TIMBER ROAD, WHICH SAID CENTER LINE IS DESCRIBED AS FOLLOWS, TO WIT: COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE EAST ALONG THE NORTH LINE OF SECTION 35 FOR A DISTANCE OF 195.3 FEET MORE OR LESS TO A POINT ON THE CENTER LINE OF THE DEDICATED ROAD; THENCE SOUTHEASTERLY ON A LINE FORMING AN ANGLE OF 41 DEGREES 19 1/2 MINUTES TO THE LEFT WITH THE NORTH LINE OF SECTION 35 FOR A DISTANCE OF 1078.44 FEET; THENCE SOUTHEASTERLY ON A CURVE TO THE LEFT HAVING A RADIUS OF 1736.48 FEET AND TANGENT TO THE LAST DESCRIBED COURSE, FOR A DISTANCE OF 368.86 FEET MORE OR LESS, TO A POINT ON THE WEST LINE OF GRANTOR'S



PROPERTY FOR A PLACE OF BEGINNING; THENCE SOUTHEASTERLY ON A CONTINUATION OF THE LAST DESCRIBED COURSE, HAVING A RADIUS OF 1736.48 FEET FOR A DISTANCE OF 232.15 FEET; THENCE SOUTHEASTERLY ON A LINE TANGENT TO THE LAST DESCRIBED COURSE FOR A DISTANCE OF 1149.35 FEET MORE OR LESS TO A POINT ON THE WESTERLY BOUNDARY LINE EXTENDED, OF THE PRESENT NORTH AND SOUTH HIGHWAY, DEDICATED FOR PUBLIC HIGHWAY, WHICH ON JANUARY 12, 1934 WAS DEDICATED IN WRITING BY THE AFORESAID ELGIN CITY BANKING COMPANY TO THE PEOPLE OF THE STATE OF ILLINOIS AND AFTERWARDS RECORDED IN THE RECORDER'S OFFICE OF KANE COUNTY, ILLINOIS, AS DOCUMENT 376211, (EXCEPTING THEREFROM THAT PART OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE EAST LINE OF SAID NORTHEAST 1/4 WITH THE CENTER LINE OF BIG TIMBER ROAD; THENCE NORTHWESTERLY ALONG SAID CENTER LINE 300.0 FEET FOR THE PLACE OF BEGINNING; THENCE CONTINUING NORTHWESTERLY ALONG SAID CENTER LINE 158.0 FEET; THENCE NORTHEASTERLY, AT RIGHT ANGLES TO SAID CENTER LINE, 400.0 FEET; THENCE SOUTHEASTERLY, PARALLEL WITH SAID CENTER LINE, 158.0 FEET; THENCE SOUTHWESTERLY 400.0 FEET TO THE PLACE OF BEGINNING), IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS.

PARCEL 11:

THAT PART OF THE NORTHEAST QUARTER OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE EAST LINE OF SAID NORTHEAST QUARTER WITH THE CENTER LINE OF BIG TIMBER ROAD; THENCE NORTHWESTERLY ALONG SAID CENTER LINE, 300.0 FEET FOR THE PLACE OF BEGINNING; THENCE CONTINUING NORTHWESTERLY ALONG SAID CENTER LINE, 150.0 FEET; THENCE NORTHEASTERLY AT RIGHT ANGLES TO SAID CENTERLINE, 400.0 FEET; THENCE SOUTHEASTERLY PARALLEL WITH SAID CENTER LINE, 150.0 FEET; THENCE SOUTHWESTERLY 400.0 FEET TO THE PLACE OF BEGINNING, IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS.

PARCEL 12:

THAT PART OF THE NORTHEAST QUARTER OF SECTION 35, TOWNSHIP 42 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE EAST LINE OF SAID NORTHEAST QUARTER WITH THE CENTER LINE OF BIG TIMBER ROAD; THENCE NORTHWESTERLY ALONG SAID CENTER LINE 450 FEET TO THE PLACE OF BEGINNING; THENCE CONTINUING NORTHWESTERLY ALONG SAID CENTER LINE 8 FEET; THENCE NORTHEASTERLY AT RIGHT ANGLES TO SAID CENTER LINE 400 FEET; THENCE SOUTHEASTERLY, PARALLEL TO SAID CENTER LINE 8 FEET; THENCE SOUTHWESTERLY 400 FEET TO THE PLACE OF BEGINNING, IN RUTLAND TOWNSHIP, KANE COUNTY, ILLINOIS.

## EXHIBIT B

### STATEMENT OF INSURANCE

[Assured Guaranty Municipal Corp. (“AGM”) New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to Amalgamated Bank of Chicago, Chicago, Illinois, or its successor, as paying agent for the Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.]

### UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF KANE

VILLAGE OF GILBERTS  
SPECIAL SERVICE AREA NUMBER NINE  
SPECIAL TAX REFUNDING BOND  
SERIES 2015  
(BIG TIMBER PROJECT)

Bond No. \_\_\_\_\_ Principal Amount: \$ \_\_\_\_\_

Date of Bond: \_\_\_\_\_, 2015 Interest Rate: \_\_\_\_\_%

CUSIP: \_\_\_\_\_ Date of Maturity: March 1, 20\_\_

Registered Owner: Cede & Co.

Principal Amount:

The Village of Gilberts, Kane County, Illinois (the “Village”), for value received, promises to pay to the Registered Owner specified above or registered assigns, upon presentation and surrender of this bond at the office of Amalgamated Bank of Chicago, as Trustee (the “Trustee”) the Principal Amount of this bond specified above on the Date of Maturity specified above and to pay the Registered Owner of this bond interest on that sum at the Interest Rate per year specified above from the Date of Bond specified above to the Date of Maturity specified above, payable semiannually on March 1 and September 1, with the first interest payment date being September 1, 2015. Interest shall be computed on the basis of a 360-day year of twelve 30-days months. Interest on this bond shall be payable on each interest payment date by check or draft of the Trustee mailed to the person in whose name this bond is registered at the close of business on the 15th day of the month preceding such interest payment date. During such time as this bond is registered so as to participate in a securities depository system with The Depository Trust Company (“DTC”), principal of and interest on this Bond shall be payable by wire transfer pursuant to instructions from DTC. The principal of, interest on and redemption premium on this bond are payable in lawful money of the United States of America. No interest

shall accrue on this bond after its Date of Maturity unless this bond shall have been presented for payment at maturity and shall not then have been paid.

This bond is one of an authorized issue of bonds in the aggregate principal amount of \$\_\_\_\_\_. This bond and the issue of which it is a part (together, the “Series 2015 Bonds”) are issued pursuant to the provisions of the “Special Service Area Tax Law,” 35 ILCS §200/27-5 et seq., as amended, and the provisions of the Local Government Debt Reform Act, 30 ILCS §350/1 et seq., as amended, and the principal of and interest on the Series 2015 Bonds are payable from special taxes designated as Special Taxes (the “Special Taxes”) levied on all taxable real property within the Village of Gilberts Special Service Area Number Nine (the “Special Service Area”) pursuant to a Special Tax Roll.

The Series 2015 Bonds are being issued for the purpose of current refunding the Village’s Special Service Area Number Nine, Special Tax Refunding Bonds, Series 2005 (Big Timber Project) (the “Prior Bonds”), funding a deposit to a Reserve Fund and paying costs of issuance incurred in connection with the issuance of the Series 2015 Bonds and the refunding of the Prior Bonds, all as more fully described in an ordinance adopted by the President and Board of Trustees of the Village on \_\_\_\_\_, 2015, including a Bond Order executed pursuant thereto (the “Bond Ordinance”) and a Trust Indenture dated as of April 1, 2015 between the Village and the Trustee (the “Indenture”), to all the provisions of which the holder by the acceptance of this bond assents. Terms not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture. The Series 2015 Bonds, together with the interest thereon, are limited obligations of the Village, payable solely from the collection of the Special Taxes and other moneys deposited in certain Funds and Accounts established pursuant to the Indenture. For the prompt payment of the principal of and interest on this bond the Special Taxes are hereby irrevocably pledged. THE SERIES 2015 BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE VILLAGE AND NEITHER THE FULL FAITH AND CREDIT NOR THE UNLIMITED TAXING POWER OF THE VILLAGE SHALL BE PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS.

The Series 2015 Bonds maturing March 1, \_\_\_\_, are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

The Series 2015 Bonds maturing on or after March 1, \_\_\_\_ are also subject to optional redemption prior to maturity at the option of the Village, in whole or in part, on any date on or

after March 1, \_\_\_\_, at a redemption price of par plus accrued and unpaid interest to the date of redemption.

Any optional redemption of Series 2015 Bonds shall be applied to the extent possible, to reduce pro rata the amount of Series 2015 Bonds maturing in each year and required to be redeemed by mandatory sinking fund redemption pursuant to the Indenture, and so as to maintain the proportion of principal maturing or subject to mandatory sinking fund redemption in each year to the total original principal amount of Series 2015 Bonds.

Pursuant to Section 4.3 of the Indenture, the Series 2015 Bonds are subject to mandatory redemption on any Interest Payment Date, in part, at a redemption price equal to the principal amount to be redeemed, plus accrued and unpaid interest to the date of redemption, without premium, from amounts in the Bond and Interest Fund consisting of the proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property dedicated to, or owned by, the Village within the Special Service Area and allocable to the Series 2015 Bonds as determined by the Consultant and which proceeds are not used by the Village to rebuild the Special Services.

The Series 2015 Bonds are subject to mandatory redemption on any Interest Payment Date, in part, from Recapturable Costs received by the Trustee pursuant to the Systems Agreement and on deposit in the Special Redemption Account – Recapture Subaccount of the Bond and Interest Fund pursuant to Section 7.1(e)(i), at a redemption price of par plus accrued and unpaid interest to the date of redemption.

Pursuant to Indenture Section 4.4(c), the Bonds are subject to mandatory redemption on any March 1, June 1, September 1 or December 1, in whole or in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, in the event of a mandatory prepayment of the Special Tax upon any event that reduces the total of the Maximum Parcel Special Taxes as described in, and in the amounts set forth in, Section I of the RMA, including amounts transferred from the Reserve Fund to the Special Redemption Account pursuant to Section 7.1(e)(ii).

Any mandatory redemption of the Series 2015 Bonds pursuant to Indenture Section 4.3 shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds maturing in each year and required to be redeemed by mandatory sinking fund redemption pursuant to Section 4.1 of the Indenture and so as to maintain the proportion of principal maturing or subject to mandatory sinking fund redemption in each year to the total original principal amount of the Series 2015 Bonds as of the date of issuance.

Pursuant to the Indenture, the Series 2015 Bonds are subject to mandatory redemption on any March 1, June 1, September 1, or December 1, in part, from amounts available for disbursement from the Special Redemption Account of the Bond and Interest Fund pursuant to Indenture Section 7.1(e)(ii) and from amounts transferred from the Reserve Fund to the Special Redemption Account – Prepayment Subaccount pursuant to Section 7.1(e)(ii) of the Indenture, at a redemption price of par, plus accrued interest on such Series 2015 Bonds to the date fixed for redemption.

Any mandatory redemption of the Series 2015 Bonds pursuant to Indenture Section 4.4 shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds maturing in each year and required to be redeemed by mandatory sinking fund redemption pursuant to Section 4.1 of the Indenture and so as to maintain the proportion of principal maturing or subject to mandatory sinking fund redemption in each year to the total original principal amount of the Series 2015 Bonds as of the date of issuance.

Except as otherwise provided in Indenture Sections 4.3 and 4.4, if less than all the Series 2015 Bonds of any maturity are to be redeemed on any redemption date, the Bond Registrar named below will assign to each Series 2015 Bond of the maturity to be redeemed a distinctive number for each \$1,000 of principal amount of that Series 2015 Bond. The Bond Registrar shall then select by lot from the numbers so assigned, using such method as it shall deem proper in its discretion, as many numbers as, at \$1,000 per number, shall equal the principal amount of Series 2015 Bonds of that maturity to be redeemed; provided that following any redemption, no Series 2015 Bond shall be outstanding in an amount less than the minimum Authorized Denomination except as necessary to effect the mandatory sinking fund redemption of Series 2015 Bonds as provided in the Indenture.

Notice of the redemption of any Series 2015 Bonds, which by their terms shall have become subject to redemption, shall be given to the registered owner of each Series 2015 Bond or portion of a Series 2015 Bond called for redemption not less than 20 or more than 60 days before any date established for redemption of Series 2015 Bonds, by the Bond Registrar, on behalf of the Village, by first class mail sent to the registered owner's last address, if any, appearing on the registration books kept by the Bond Registrar. All notices of redemption shall include at least the designation, date and maturities of Series 2015 Bonds called for redemption, CUSIP Numbers, if available, and the date of redemption. In the case of a Series 2015 Bond to be redeemed in part only, the notice shall also specify the portion of the principal amount of the Series 2015 Bond to be redeemed. The mailing of the notice specified above to the registered owner of any Series 2015 Bond shall be a condition precedent to the redemption of that Series 2015 Bond, provided that any notice which is mailed in accordance with the Indenture shall be conclusively presumed to have been duly given whether or not the owner received the notice. The failure to mail notice to the owner of any Series 2015 Bond, or any defect in that notice, shall not affect the validity of the redemption of any other Series 2015 Bond for which notice was properly given.

This bond is negotiable, subject to the following provisions for registration and registration of transfer. The Village maintains books for the registration and registration of transfer of Series 2015 Bonds at the office of the Trustee, as Bond Registrar. This bond is fully registered on those books in the name of its owner, as to both principal and interest, and transfer of this bond may be registered on those books upon surrender of this bond to the Bond Registrar by the registered owner or his or her attorney duly authorized in writing together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney. Upon surrender of this bond for registration of transfer, a new bond or bonds in the same aggregate principal amount and of the same maturity will be issued to the transferee as provided in the Indenture.

This bond may be exchanged, at the option of the Registered Owner, for an equal aggregate principal amount of bonds of the same maturity of any other Authorized

Denominations, upon surrender of this bond at the office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his or her duly authorized attorney.

For every exchange or registration of transfer of this bond, the Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the Village, required to be paid with respect to that exchange or registration of transfer, and payment of that charge by the person requesting exchange or registration of transfer shall be a condition precedent to that exchange or registration of transfer. No other charge may be made by the Village or the Bond Registrar as a condition precedent to exchange or registration of transfer of this bond.

The Bond Registrar shall not be required to exchange or register the transfer of any Series 2015 Bond following the close of business on the 15th day of the month preceding any interest payment date on such Series 2015 Bond, nor to transfer or exchange any Series 2015 Bond after notice calling such Series 2015 Bond for redemption has been mailed, nor during a period of 15 days next preceding mailing of a notice of redemption of any Series 2015 Bonds.

The Village, the Trustee and the Bond Registrar may deem and treat the registered owner of this bond as its absolute owner, whether or not this bond is overdue, for the purpose of receiving payment of the principal of or interest on this bond and for all other purposes, and neither the Village, the Bond Registrar nor the Trustee shall be affected by any notice to the contrary. Payment of the principal of and interest on this bond shall be made only to its registered owner, and all such payments shall be valid and effective to satisfy the obligation of the Village on this bond to the extent of the amount paid.

All conditions which by law must have existed or must have been fulfilled in the issuance of this bond existed and were fulfilled in compliance with law. Provision has been made for the levy, collection and segregation of the Special Taxes sufficient to pay and discharge the principal of this bond at maturity and to pay interest on this bond as it falls due. The issuance of the Series 2015 Bonds by the Village will not cause the Village to exceed or violate any applicable limitation or condition respecting the issuance of bonds imposed by the law of the State of Illinois or by any Indenture, ordinance or resolution of the Village. The Series 2015 Bonds are issued for purposes for which the Village is authorized by law to issue bonds including but not limited to the refunding the Prior Bonds, making deposits to a reserve fund, administrative expense fund, and paying costs of the Village in connection with the issuance of the Series 2015 Bonds and the refunding of the Prior Bonds.

This bond shall not be valid for any purpose unless and until the certificate of authentication on this bond shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Village of Gilberts, Kane County, Illinois, by its President and Board of Trustees, has caused this bond to be executed by the manual or facsimile signature of its Village President and attested by the manual or facsimile signature of its Village Clerk and has caused its corporate seal to be affixed to this bond (or a facsimile of its seal to be printed on this bond), all as of the Date of Bond specified above.

VILLAGE OF GILBERTS, ILLINOIS

By: \_\_\_\_\_  
Village President

[SEAL]

Attest:

By: \_\_\_\_\_  
Village Clerk

## **CERTIFICATE OF AUTHENTICATION**

Date of Authentication: \_\_\_\_\_

This bond is one of the bonds described in the Indenture authorizing the issuance of \$\_\_\_\_\_ Village of Gilberts, Kane County, Illinois Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project).

AMALGAMATED BANK OF CHICAGO, AS TRUSTEE

By: \_\_\_\_\_  
Authorized Officer



### **CERTIFICATE OF TRANSFER**

For Value Received, the undersigned sells, assigns and transfers to \_\_\_\_\_  
this bond and all rights and title under this bond, and irrevocably constitutes and appoints  
\_\_\_\_\_ attorney to transfer this bond on the books kept for registration of  
this bond.

Dated: \_\_\_\_\_, 20\_\_\_\_.

## EXHIBIT C

This Document was  
prepared by and after  
recording return to:  
[Insert name and address  
of Trustee]

(The Above Space For Recorder's Use Only)

### SATISFACTION OF TAX LIEN

The undersigned duly elected and acting Village President of the Village of Gilberts, Kane County, Illinois (the "Village"), in consideration of the receipt of the sum of \$\_\_\_\_\_, hereby acknowledges and certifies that special taxes levied and to be extended in accordance with the Special Tax Roll approved by the Village President and Board of Trustees of the Village pursuant to Ordinance No. \_\_\_\_ (the "Establishing Ordinance") are paid and the lien of such taxes satisfied with respect to the following lots in the Village's Special Service Area Number Nine (the "SSA") legally described on Exhibit A attached hereto:

Lot

PIN

The undersigned further certifies that pursuant to Exhibit B of the Special Tax Roll and Report attached to and incorporated in the Establishing Ordinance as Exhibit F (the "Special Tax Roll and Report") and the Rate and Method of Levying Special Taxes attached thereto (the "RMA"), upon payment of the prepayment amount as calculated pursuant to the RMA, the Special Taxes which were prepaid shall not be levied on the Parcel for which the prepayment was made. Pursuant to Section B of the RMA, the Village shall amend the Special Tax Roll each calendar year to reflect the Maximum Special Tax.

Dated:\_\_\_\_\_. 20\_\_\_\_.

VILLAGE OF GILBERTS

Approved by: Consultant

\_\_\_\_\_

By:\_\_\_\_\_

The Trustee hereby acknowledges receipt of the sum of \$\_\_\_\_\_.

Amalgamated Bank of Chicago, as Trustee

By:\_\_\_\_\_

STATE OF ILLINOIS       )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

I, the undersigned, a Notary Public in and for such County and State aforesaid, do hereby certify that \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of the Village of Gilberts, Illinois, whose name is subscribed to the foregoing Satisfaction, appeared before me this day in person and acknowledged that as such officer he signed and delivered the foregoing Satisfaction as such officer of the Village of Gilberts, Illinois, as his free and voluntary act, and as the free and voluntary act and deed of such Village, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this \_\_\_\_ day of \_\_\_\_\_, 2015.

---

Notary Public

**EXHIBIT C**

**Bond Purchase Agreement**

**BERNARDI SECURITIES**  
M U N I C I P A L   B O N D   S P E C I A L I S T S

**VILLAGE OF GILBERTS, KANE COUNTY, ILLINOIS  
SPECIAL SERVICE AREA NUMBER NINE  
SPECIAL TAX REFUNDING BONDS, SERIES 2015 (BIG TIMBER PROJECT)**

---

**BOND PURCHASE AGREEMENT**

---

\_\_\_\_\_, 2015

Village President and Board of Trustees  
Village of Gilberts  
87 Galligan Road  
Gilberts, Illinois 60136

Village President and Board of Trustees:

The undersigned, Bernardi Securities, Inc., Chicago, Illinois (the “*Underwriter*”), offers to purchase from the Issuer, Village of Gilberts, Kane County, Illinois (the “*Issuer*”), all (but not less than all) of the Issuer’s \$\_\_\_\_\_ Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project) (the “*Bonds*”). This offer is made subject to the Issuer’s acceptance of this Bond Purchase Agreement (this “*Agreement*”) on or before 11:59 p.m., Central Daylight or Standard Time, as applicable, on the date hereof. Upon the Issuer’s acceptance of this offer, it will be binding upon the Issuer and upon the Underwriter.

1. Upon the terms and conditions and upon the basis of the representations set forth herein, the Underwriter hereby agrees to purchase the Bonds from the Issuer, and the Issuer hereby agrees to sell and deliver the Bonds to the Underwriter. *Exhibit A*, which is incorporated by reference into this Agreement, contains a brief description of the Bonds, including certain related terms and provisions, the manner of their issuance, the purchase price to be paid and the date of delivery and payment therefor (the “*Closing*”).

2. (a) Concurrently with the execution hereof, the Issuer will approve an Official Statement (the “*Official Statement*”) in substantially the form of the Issuer’s Preliminary Official Statement, dated \_\_\_\_\_, 2015, relating to the Bonds (the “*Preliminary Official Statement*”) with such changes from the Preliminary Official Statement as the Underwriter and the Issuer shall approve, and will deliver a Bond Ordinance adopted by the Issuer’s Corporate Authorities on the \_\_\_\_\_ day of \_\_\_\_\_, 2015 (the “*Bond Authorization*”), and, as applicable, a related bond order (the “*Bond Order*”) satisfactory in form and substance to the Underwriter. The Underwriter is authorized by the Issuer to use these documents and the information contained in them in connection with the offering and sale of the Bonds. The Issuer has heretofore deemed, or as applicable, hereby ratifies, the Preliminary Official Statement to be “**final**” as of its date for

purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“*Rule 15c2-12*”). The Issuer hereby agrees to provide to the Underwriter within seven business days of the date hereof the Official Statement (i) in “designated electronic format” (as defined in Rule G-32 of the Municipal Securities Rulemaking Board) and (ii) in such quantities as the Underwriter may request to comply with the requirements of paragraph (b)(4) of Rule 15c2-12 and Rule G-32 of the MSRB.

(b) The Issuer hereby covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “*Undertaking*”) to provide ongoing disclosure about the Issuer, for the benefit of registered owners and beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of Rule 15c2-12, as applicable. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed to in writing by the Underwriter. Except as described in the Official Statement, the Issuer has not failed to comply in all material respects with each and every undertaking previously entered into by it pursuant to Rule 15c2-12 during the five years prior to the date of the Official Statement.

3. The Issuer represents and covenants to the Underwriter that:

(a) The Issuer has and will have at the Closing the power and authority to enter into and perform this Agreement, and related agreements, certificates and instruments, including but not limited to, as applicable, arbitrage and rebate, fiscal arrangements (including escrows) to be delivered the date of delivery of the Bonds (as applicable, collectively, the “*Related Agreements*”) to adopt the Bond Authorization for the purposes therein specified and to deliver and sell the Bonds to the Underwriter;

(b) this Agreement, the Related Agreements and the Bonds do not and will not conflict with or create a breach or default under any existing law, regulation, order or agreement to which the Issuer is subject or by which it is bound;

(c) no governmental approval or authorization other than the Bond Authorization is required in connection with the sale of the Bonds to the Underwriter;

(d) this Agreement is, and this Agreement, the Related Agreements and the Bonds will be at the time of the Closing, the legal, valid and binding obligation of the Issuer enforceable in accordance with its respective terms, subject only to applicable bankruptcy, insolvency or other similar laws generally affecting creditors’ rights and subject to the exercise of judicial discretion;

(e) the information in the Preliminary Official Statement (except as changed by the Official Statement) was, and in the Official Statement is, true and correct in all material respects and did not and does not omit any statement or information required to be stated therein or which is necessary to make the statements and information contained therein not misleading in any material respect;

(f) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer or affecting the corporate existence of the Issuer,

the titles of its officers to their respective offices or the boundaries of the Issuer, or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or in any way contesting or affecting the transactions contemplated hereby or the validity or enforceability of the Bonds, the Bond Authorization, the Related Agreements or this Agreement or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Authorization or the execution and the delivery of this Agreement or the Related Agreements;

(g) the Issuer is not in breach of or in default under any existing law, court or administrative regulation, decree or order, resolution, ordinance, agreement, indenture, mortgage, lease, sublease or other instrument to which the Issuer is a party or by which the Issuer or its property is or may be bound, and no event has occurred or is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case, in any manner or to any extent that could have a material adverse effect on the financial condition of the Issuer, the operations of the Issuer or the transactions contemplated by this Agreement and the Official Statement, or have an adverse effect on the validity or enforceability in accordance with the respective terms of the Bonds, the sources of payment for the Bonds, the Related Agreements or the Bond Authorization or in any way adversely affect the existence or powers of the Issuer or the excludability from gross income for federal income tax purposes of interest on the Bonds;

(h) the Issuer's audited general purpose financial statements as of and for the end of the last completed fiscal year is a fair presentation of the financial position of the Issuer as of the date indicated and the results of its operations and changes in its fund balances for the periods specified. Since the date of the end of the Issuer's last fiscal year, there has been no material adverse change in the condition, financial or otherwise, of the Issuer from that set forth in the audited financial statements as of and for the period as of the end of the last completed fiscal year, except as disclosed in the Official Statement; and the Issuer has not since as of the end of the last completed fiscal year (December 31, 2014), incurred any material liabilities, directly or indirectly, except in the ordinary course of its operations or as disclosed in the Official Statement;

(i) the Issuer will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds to be applied or results in such proceeds being applied in a manner other than as provided in the Bond Authorization, the Related Agreements and the Issuer's related closing certificates and documents;

(j) each representation, warranty or agreement stated in any certificate signed by any officer of the Issuer and delivered to the Underwriter in connection with the transactions contemplated by the Bond Authorization, the Related Agreements and this Agreement, at or before the Closing, shall constitute a representation, warranty or agreement by the Issuer upon which the Underwriter shall be entitled to rely; and

(k) if between the date of this Agreement and 25 days following the **"end of the underwriting period"** (as defined in Rule 15c2-12) any event shall occur which, in the

Issuer's opinion, might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter; any approval by the Underwriter of such supplement or amendment to the Official Statement prior to the Closing shall not preclude the Underwriter from thereafter terminating this Agreement, and if the Official Statement is amended or supplemented subsequent to the date hereof, the Underwriter may terminate this Agreement by notification to the Issuer at any time prior to the Closing if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

4. At the Closing, the Issuer will deliver or make available to the Underwriter:

(a) The Bonds, in definitive or DTC acceptable form, as applicable, duly executed and bearing proper CUSIP numbers, as applicable;

(b) A certificate executed by authorized officers of the Issuer, in form and substance acceptable to the Underwriter, to the effect that the Official Statement, to the knowledge and belief of such officers, after due review, is accurate and complete in all material respects, and that the representations of the Issuer contained in this Agreement and the Bond Authorization are true and correct when made and as of the Closing;

(c) The approving opinion of Bond Counsel, in a form satisfactory to the Underwriter and described or referenced in the Official Statement, dated the Closing Date, relating to the legality and tax-exempt status of interest on the Bonds;

(d) A certificate indicating that there is no proceeding contesting the legality of the Bonds, the Bond Authorization, the payment source(s) for the Bonds or the proceedings pursuant to which the Bond Authorization was authorized;

(e) A certificate, satisfactory to the Underwriter, of an appropriate officer of the Issuer, dated as of the Closing Date, to the effect that the Issuer has not failed to comply in all material respects with each and every undertaking previously entered into by it pursuant to Rule 15c2-12 during the five years prior to the date of the Official Statement, except as described in the Official Statement;

(f) A fully executed copy of the Undertaking, to the extent required by the Underwriter and described in the Official Statement;

(g) Certified copies of the Bond Authorization and, as applicable, fully executed copy of the Bond Order;



(h) Evidence satisfactory to the Underwriter that an applicable bond insurance policy (the “*Insurance Policy*”) with respect to the Bonds, issued by a bond insurer (the “*Bond Insurer*”), if any, as described in the Official Statement, is in full force and effect and all conditions precedent to the issuance thereof have been satisfied and all premiums due and payable thereon on the date of Closing have been paid, and a certificate from the Bond Insurer and an opinion from counsel to the Bond Insurer with respect to the valid issuance and effectiveness of the Insurance Policy and to the accuracy and completeness of the Official Statement as to the Bond Insurer and the Insurance Policy (If there is to be no Bond Insurer or Insurance Policy, reference herein thereto shall be given no effect.); and

(i) Such additional certificates, instruments and other documents (including, without limitation, those set forth on *Exhibit A* hereto) as the Underwriter may deem necessary with respect to the issuance and sale of the Bonds, all in form and substance satisfactory to the Underwriter, if any, as described in the Official Statement; and

(j) a fully executed copy of each Related Agreement, if any.

5. The fees and disbursements of counsel to the Issuer, the Issuer’s Counsel and Bond Counsel, and other applicable counsel, such as disclosure counsel or Underwriter’s counsel, the cost of preparing and printing the Bonds, the cost of obtaining any ratings in connection with the issuance of the Bonds, including rating agency fees, the fees of the bond registrar and paying agent for the Bonds, the fees of any other fiscal agent, the cost of printing and mailing the Preliminary Official Statement and the Official Statement and miscellaneous expenses incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the Issuer, which the Underwriter is authorized to pay (but not required to pay) out of proceeds of the Bonds, with a credit against the purchase price for the Bonds for such payment.

The obligation of the Issuer to pay the above-described expenses shall, to the extent lawful, survive the termination of this Agreement or the failure to consummate the transactions described herein.

6. This Agreement is intended to benefit only the parties hereto, and the Issuer’s representations and warranties shall survive any investigation made by or for the Underwriter, delivery and payment for the Bonds and the termination of this Agreement.

The rules of the Municipal Securities Rulemaking Board require the Underwriter to inform you that compensation that is contingent on the closing of a transaction or the size of a transaction presents a conflict of interest, because it may cause the Underwriter to recommend a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

7. The Issuer acknowledges and agrees that, and hereby confirms that it has previously received, reviewed and understands disclosures from the Underwriter to the effect that: (i) the Underwriter is acting solely as an underwriter for this transaction; (ii) the purchase and sale of the Bonds pursuant to this Agreement is an arm’s-length commercial transaction between the Issuer and the Underwriter with a view to distribute the Bonds; (iii) the Underwriter is required by MSRB Rule G-17 to deal fairly at all times with both the Issuer and the investors purchasing the Bonds, and the

Underwriter's duty to purchase the Bonds from the Issuer at fair and reasonable prices is balanced with its duty to sell the Bonds to investors at fair and reasonable prices; (iv) the Underwriter has reviewed the Issuer's Official Statement for the Issuer's securities in accordance with, and as part of, its responsibilities to investors under federal securities laws, as applied to the facts and circumstances of this transaction; (v) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent, financial advisor or a fiduciary of the Issuer; (vi) the Underwriter has financial interests and other interests that may differ from the Issuer; (vii) the Underwriter has not assumed a fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has assisted or is currently assisting the Issuer on other matters) or any other obligation to the Issuer, except the obligations expressly set forth in this Agreement; (viii) the Issuer has consulted with its own legal, financial and other advisors to the extent it deemed appropriate in connection with the issuance of the Bonds and the process leading thereto, and at all times was and is free to engage the services of a financial advisor; and (ix) the Issuer will not claim that the Underwriter has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Issuer, in connection with the purchase and sale of the Bonds or the process leading thereto.

The Issuer has not requested and does not request a dedicated retail order period.

8. (a) The Issuer acknowledges and understands that: (i) its obligation to pay principal and interest on the Bonds will require the Issuer to make these payments no matter what budget constraints the Issuer encounters; and (ii) to the extent that the Issuer agrees in the Bond Authorization to rate covenants, additional bond tests or other financial covenants, these may constrain the Issuer's ability to operate and to issue additional debt and, if the Issuer does not comply with these covenants, they can result in a failure to perform with respect to the Bonds and the Bond Authorization.

(b) The Issuer further acknowledges and understands that: (i) if the Bonds are issued as tax-exempt or tax-advantaged obligations, the Issuer is and will be required to comply with various requirements and restrictions of federal tax law relating to how it uses and invests the proceeds of the Bonds, how it uses any facilities constructed or improved with proceeds of the Bonds and other restrictions throughout the term of the Bonds; (ii) these requirements and restrictions may constrain how the Issuer operates the financed facilities and may preclude it from capitalizing on certain opportunities; (iii) violation of these requirements and restrictions can result in a loss of the tax-exempt or tax-advantaged status of the Bonds, and may cause the Issuer to become liable to the Internal Revenue Service and to the owners of the Bonds; and (iv) in the event of an audit of the Bonds by the IRS, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees is difficult and may not be practicable.

9. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein;

(b) legislation introduced in or enacted (or resolution or ordinance passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Bond Authorization is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or other national securities exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general

character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(f) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Issuer, its property, income securities (or interest thereon) or the validity or enforceability of the assessments or the levy of taxes or application of other funds under the Bond Authorization to pay principal of and interest on the Bonds;

(g) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) any fact or event shall exist or have existed that, in the judgment of the Underwriter, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Issuer's obligations or any rating of the Bond Insurer; and

(l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

10. This Agreement shall constitute the entire agreement between the Issuer and the Underwriter with respect to the purchase and sale of the Bonds, and is made solely for the benefit of the Issuer, the Underwriter and their any successors. No other person shall acquire or have any right hereunder or by virtue hereof. All the representations and agreements in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf the Underwriter, (ii) delivery of and payment for the Bonds hereunder, and (c) any termination of this Agreement. This Agreement shall be amended, supplemented or modified only by a writing signed by both of the parties.

11. This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Illinois.

12. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Very truly yours,

BERNARDI SECURITIES, INC.,  
CHICAGO, ILLINOIS

By \_\_\_\_\_  
Its Senior Vice President

Accepted on behalf of

Village of Gilberts,  
Kane County, Illinois

By \_\_\_\_\_  
Its \_\_\_\_\_

Attested:

By \_\_\_\_\_

Its \_\_\_\_\_

# BERNARDISECURITIES

## MUNICIPAL BOND SPECIALISTS

### EXHIBIT A

#### DESCRIPTION OF BONDS

a. PURCHASE PRICE: \$\_\_\_\_\_ (representing the \$\_\_\_\_\_ aggregate principal amount of the Bonds, plus net original issue premium of \$\_\_\_\_\_, or less \$\_\_\_\_\_ of original issue discount and less an underwriting discount of \$\_\_\_\_\_, and with a further credit for issuance costs under paragraph 5. )

b. DETAILS: The Bonds shall be issued in an aggregate principal amount of \$\_\_\_\_\_, shall be dated as specified in the Official Statement, and shall become due and payable serially on March 1 of the years, in the amounts, bearing interest at the rates per annum and reoffered at the yields per annum as follows:

YEAR	AMOUNT	INTEREST RATE	YIELD
2016	\$_____	_____ %	_____ %
2017	\$_____	_____ %	_____ %
2018	\$_____	_____ %	_____ %
2019	\$_____	_____ %	_____ %
2020	\$_____	_____ %	_____ %
2021	\$_____	_____ %	_____ %
2022	\$_____	_____ %	_____ %
2023	\$_____	_____ %	_____ %
2024	\$_____	_____ %	_____ %
2025	\$_____	_____ %	_____ %
2026	\$_____	_____ %	_____ %
2027	\$_____	_____ %	_____ %
2028	\$_____	_____ %	_____ %
2029	\$_____	_____ %	_____ %

[Term Bonds, as applicable.]

The first interest payment date on the Bonds shall be \_\_\_\_\_, 2015.

c. FORM: The Bonds shall be delivered in the form of a separate, single, certificated, fully registered Bond for each of the maturities set forth above, and each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), all as provided in the Bond Authorization. The Bonds shall be available at such place as is designated by the Underwriter in New York, New York, or such other place as the Underwriter and the Issuer agree upon, for examination and packaging by the Underwriter at least 24 hours prior to the Closing and at Closing shall be delivered to the Underwriter through the facilities of DTC.

d. REDEMPTION: The Bonds are subject to optional redemption prior to maturity, as follows :

---

e. CLOSING DATE: \_\_\_\_\_, 2015, or such other date agreed to by the Issuer and the Underwriter.

f. DELIVERY: Delivery and payment shall be made through the offices of Bond Counsel, or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

g. ADDITIONAL CLOSING AND OTHER DOCUMENTS:

1. A copy of the executed Information Return for Tax-Exempt Governmental Obligations, Form 8038-G.

2. The Issuer's letter of representations to DTC.

3. As applicable: evidence satisfactory to the Underwriter that the Bonds have the ratings(s) set forth on the cover page of the Official Statement.

4. As applicable, the Bond Insurer's Insurance Policy, together with an opinion of counsel to the Insurer satisfactory in form and substance to the Underwriter as set forth in the Official Statement.

5. Status as **"qualified tax-exemption obligations"** (**"bank qualified"**), if applicable, as set forth in the Official Statement.

6. Taxable/tax-exempt status, as set forth in the Official Statement. |



**EXHIBIT D**

**Preliminary Official Statement**

**DRAFT March 25, 2015**

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2015**

NEW ISSUE - BOOK ENTRY ONLY

Municipal Bond Insurance Applied For  
No Underlying Rating

*In the opinion of Foley & Lardner LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and, assuming among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the Bonds is not exempt from present State of Illinois income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.*

**\$17,360,000\***

**VILLAGE OF GILBERTS**

**Kane County, Illinois**

**Special Service Area Number Nine**

**Special Tax Refunding Bonds, Series 2015 (Big Timber Project)**

**Dated: Date of Delivery**

**Due: As shown on the inside cover**

The Village of Gilberts, Kane County, Illinois, Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project) (the "Bonds") are being issued by the Village of Gilberts, Kane County, Illinois (the "Village"). Interest on the Bonds is payable semiannually on March 1 and September 1 of each year, commencing September 1, 2015. The Depository Trust Company ("DTC"), New York, New York, will act as the securities depository for the Bonds. The ownership of one bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. Amalgamated Bank of Chicago, Chicago, Illinois, will act as trustee and bond registrar (the "Trustee").

The Bonds are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. Individual purchases will be made in book entry form only, in denominations of \$5,000 or integral multiples of \$1,000 in excess thereof.

The proceeds of the Bonds will be used to (i) current refund all of the Village's outstanding Special Service Area Number Nine Special Tax Refunding Bonds, Series 2005 (Big Timber Project) (the "Prior Bonds"), (ii) fund certain reserves and (iii) pay certain costs of issuance of the Bonds. See "THE BONDS – General Description of the Bonds" herein.

**The Bonds are subject to optional, mandatory and special mandatory redemption prior to maturity as set forth herein.**

[The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by \_\_\_\_\_. See the heading "BOND INSURANCE" and APPENDIX E herein.]

[INSURANCE LOGO]

THE BONDS ARE BEING ISSUED PURSUANT TO THE SPECIAL SERVICE AREA TAX LAW OF THE STATE OF ILLINOIS, AS AMENDED, AND, IN THE OPINION OF FOLEY & LARDNER LLP, CHICAGO, ILLINOIS, BOND COUNSEL, WILL CONSTITUTE VALID AND LEGALLY BINDING LIMITED OBLIGATIONS OF THE VILLAGE OF GILBERTS, KANE COUNTY, ILLINOIS (THE "VILLAGE"), PAYABLE SOLELY AND ONLY FROM THE SPECIAL TAX AND AMOUNTS ON DEPOSIT IN CERTAIN OF THE FUNDS AND ACCOUNTS ESTABLISHED AND MAINTAINED PURSUANT TO THE TRUST INDENTURE, AS SET FORTH HEREIN. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE VILLAGE AND NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE VILLAGE, THE COUNTY OF KANE, THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. NO HOLDER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE (OTHER THAN THE LEVY OF THE SPECIAL TAX AS DESCRIBED HEREIN) FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

*The Bonds are offered when, as and if issued, subject to prior sale, withdrawal or modification of the offer without notice, the approving legal opinion of Foley & Lardner LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. See "TAX MATTERS" herein and Appendix D hereto. Ice Miller LLP, Chicago, Illinois is acting as Disclosure Counsel to the Village. Certain legal matters will be passed upon for the Underwriter by Nixon Peabody LLP, Chicago, Illinois, and for the Village by Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, P.C., Chicago, Illinois. It is expected that the Bonds will be available for delivery to DTC in New York, New York on or about April \_\_, 2015.*

**BERNARDISECURITIES**  
MUNICIPAL BOND SPECIALISTS

\* Preliminary, subject to change.

**MATURITIES, INTEREST RATES AND YIELDS\***

**\$17,360,000\***

**Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project)**

<b><u>Principal Amount*</u></b>	<b><u>March 1,</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP<sup>(1)</sup></u></b>
\$840,000	2016	_____ %	_____ %	
810,000	2017	_____	_____	
855,000	2018	_____	_____	
900,000	2019	_____	_____	
950,000	2020	_____	_____	
1,010,000	2021	_____	_____	
1,070,000	2022	_____	_____	
1,140,000	2023	_____	_____	
1,215,000	2024	_____	_____	
1,295,000	2025	_____	_____	
1,380,000	2026	_____	_____	
1,465,000	2027	_____	_____	
1,570,000	2028	_____	_____	
1,210,000	2029	_____	_____	
1,650,000	2030	_____	_____	

(1) CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.

---

\* Preliminary, subject to change.

For purposes of compliance with Rule 15c2 12 of the Securities and Exchange Commission, this Preliminary Official Statement, as it may be supplemented or amended by the Village from time to time (collectively the "Preliminary Official Statement"), shall be treated as a near final Official Statement with respect to the Bonds described herein.

This Preliminary Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Preliminary Official Statement. Where statutes, reports, or other documents are referred to herein, reference should be made to such statutes, reports, or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

No dealer, broker, salesman or other person has been authorized by the Village or the Underwriter to give any information or to make any representations, other than those contained in this Preliminary Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Village and from other sources that are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village since the date as of which information is given in this Preliminary Official Statement.

The information contained in this Preliminary Official Statement has been furnished by the Village, [BOND INSURER] and by DTC and other sources, which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by and is not to be construed as a representation of the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

Any statements made in this Preliminary Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Preliminary Official Statement contains certain forward looking statements and information that are based on the Village's beliefs as well as assumptions made by and information currently available to the Village. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

[Insurance language].

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE TRUST INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE MADE A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS PRELIMINARY OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE BONDS. SPECIFICALLY, THE UNDERWRITER MAY OVER ALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR, AND PURCHASE, THE BONDS IN THE OPEN MARKET. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE BONDS ARE RELEASED FOR SALE, AND THE BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE BONDS INTO INVESTMENT ACCOUNTS.

## **PRELIMINARY TERMS SHEET**

**\$17,360,000\***

**Village of Gilberts, Kane County, Illinois  
Special Service Area Number Nine  
Special Tax Refunding Bonds, Series 2015 (Big Timber Project)**

- Issuer:** Village of Gilberts, Kane County, Illinois (the “Village”).
- Description:** Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project) (the “Bonds”).
- Purpose:** The proceeds of the Bonds will be used to: (i) current refund the Village’s Special Service Area Number Nine (the “Area”), Special Tax Refunding Bonds, Series 2005 (the "Prior Bonds"), (ii) fund certain reserves and (iii) pay certain costs of issuance of the Bonds and the refunding of the Prior Bonds.
- Security:** The Bonds are being issued pursuant to the Special Service Area Tax Law of the State of Illinois, as amended, and, in the Opinion of Foley & Lardner, LLP, Chicago, Illinois, Bond Counsel, will constitute valid and legally binding limited obligations of the Village, payable solely and only from the Special Tax and amounts on deposit in certain of the funds and accounts established and maintained pursuant to the Trust Indenture. The Bonds are not general obligations of the Village and neither the full faith and credit nor the general taxing power of the Village, the County of Kane, the State of Illinois, or any political subdivision thereof is pledged to the payment of the Bonds. No holder of any Bond shall have the right to compel the exercise of any taxing power of the Village (other than the levy of the Special Tax) for payment of the principal amount of, premium, if any, or interest on the Bonds.
- The amount of Special Tax that the Village may levy in the Area in any year is strictly limited by the maximum rates approved by the Village at the time of formation of the Area. The Village is legally authorized under the Special Service Area Act, and has covenanted in the Trust Indenture, to extend and collect the Special Tax in an amount determined according to the RMA. Pursuant to the Bond Ordinance the Village has levied the Special Tax in amounts shown in the Bond Ordinance and will abate such tax each year to the extent it is not required to pay principal or interest on the Bonds, to replenish the Reserve Fund and to pay Administrative Expenses.
- Tax Exemption:** Bond Counsel to the Village, Foley & Lardner, LLP, Chicago, Illinois will provide an opinion as to the tax-exemption of the Bonds. Interest on the Bonds is not exempt from present State of Illinois income taxes.
- Reserve Fund:** Funds on deposit in the Reserve Fund in an amount equal to the Reserve Requirement will be held under the terms of the Trust Indenture and applied to pay debt service on the Bonds in the event amounts on deposit in the Bond and Interest Fund are insufficient therefor.

---

\* Preliminary, subject to change.

**Special Redemption Account:**

Prepayments of the Special Tax shall be deposited to the Special Redemption Account and applied to redeem the Bonds as further described herein.

**Segregations of the Special Tax:**

For the purpose of providing the funds required to pay the interest on the Bonds when and as the same falls due and to pay and discharge the principal thereof at maturity, the Special Tax shall be paid to the Trustee, in accordance with the following procedure: At or prior to the delivery of the Bonds, the Village Treasurer shall deliver to the Kane County Collector and to the Trustee a Segregation Order and Authorization Agreement for Automatic Deposits (ACH Credits) directing that the Special Tax be segregated and paid to the Trustee. Promptly upon receipt of the Special Tax, the County Collector shall segregate and pay directly to the Trustee, the Special Tax.

**Underlying Rating:**

Non-rated.

**Bond Insurance:**

TBD.

**Bank Qualification:**

The Village **does not intend** to designate the Bonds as “qualified tax-exempt obligations” pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**Dated Date:**

Date of Delivery

**Principal Due:**

March 1, 2016 through March 1, 2030.

**Interest Due:**

Semiannually, each March 1 and September 1, commencing September 1, 2015.

**Mandatory Redemption:**

The Bonds are subject to mandatory sinking fund redemption, mandatory redemption upon condemnation, special mandatory redemption from optional prepayment and mandatory prepayment of special taxes. See "**THE BONDS - Redemption**" herein.

**Optional Redemption:**

The Bonds maturing on or after March 1, 20\_\_ are subject to optional redemption prior to maturity at the option of the Village, in whole or in part, on any date on or after March 1, 20\_\_, at par, plus accrued and unpaid interest to the date of redemption.

**Underwriter:**

Bernardi Securities, Inc., Chicago, Illinois.

**Trustee:**

Amalgamated Bank of Chicago, Chicago, Illinois.

**VILLAGE OF GILBERTS,  
KANE COUNTY, ILLINOIS**

87 Galligan Road  
Gilberts, IL 60136  
(847) 428-2861

**President**  
Rick Zirk

**Board of Trustees**

Dan Corbett  
Nancy Farrell  
Louis Hacker  
David LeClercq Sr.  
Patricia Mierisch  
Guy Zambetti

**Village Clerk**  
Debra Meadows

**Village Administrator**  
Ray Keller

**Finance Director**  
Marlene Blocker

**Village's Counsel**  
Ancel, Glink, Diamond, Bush, Di Cianni & Krafthefer, P.C.  
Chicago, Illinois

**Bond Counsel**  
Foley & Lardner LLP  
Chicago, Illinois

**Disclosure Counsel**  
Ice Miller LLP  
Chicago, Illinois

**Underwriter**  
Bernardi Securities Inc.  
Chicago, Illinois

**Underwriter's Counsel**  
Nixon Peabody LLP  
Chicago, Illinois

**Trustee**  
Amalgamated Bank of Chicago  
Chicago, Illinois

**Special Service Area Administrator**  
Municipal, Inc.

## Table of Contents

INTRODUCTORY STATEMENT .....	1
THE BONDS .....	2
General Description of the Bonds .....	2
Redemption .....	2
Optional Prepayment of Special Tax .....	5
Book Entry Only System .....	5
THE REFUNDING PLAN .....	7
SPECIAL SERVICES .....	8
ESTIMATED SOURCES AND USES OF FUNDS .....	8
DEBT SERVICE REQUIREMENTS .....	9
EXPECTED SPECIAL TAX AND DEBT SERVICE COVERAGE .....	10
SECURITY AND SOURCE OF PAYMENT FOR THE BONDS .....	10
General .....	10
The Special Tax .....	11
[Segregation of the Special Tax .....	12
Pledged Funds .....	12
Non-Pledged Funds .....	14
Investment of Funds .....	14
Covenants of the Issuer .....	14
Enforcement of Payment of Special Taxes .....	15
Tax Sales and Foreclosures .....	17
THE SPECIAL SERVICE AREA AND SPECIAL TAX .....	17
The Act .....	17
Establishment of the Area .....	18
Boundaries of the Area .....	18
Levy, Abatement and Collection of Special Tax .....	18
Special Service Area Rate Method of Apportionment of Special Tax .....	19
Maximum Special Tax for Levy Years 2015-2028 .....	20
Administrative Services .....	20
Estimated Value-to-Lien Ratio of Special Service Area Property .....	21
Tax Assessment and Collection Procedures .....	21
Property Tax Rate within Special Service Area .....	22
History of Special Tax Payments .....	22
Equalized Assessed Valuation of the Special Service Area .....	23
DIRECT AND OVERLAPPING DEBT RELATED TO SPECIAL SERVICE AREA NUMBER NINE .....	23
THE VILLAGE .....	23
General .....	23
Village Organization and Administration .....	24
Community Services .....	24
Education .....	24
Transportation .....	24
SOCIOECONOMIC INFORMATION .....	25
Population Trend .....	25
Median Home Value .....	25
Median Family Income .....	25
Average Annual Unemployment Rates .....	25
Employment .....	25
Largest Area Employers .....	26



Village Equalized Assessed Valuation .....	26
Largest Village Taxpayers.....	26
Tax Extensions and Collections .....	26
Representative Total Tax Rate .....	27
City Tax Rate Trend .....	27
RISK FACTORS .....	27
Limited Source of Funds .....	27
Information Not Verified.....	28
Local, State and Federal Land Use Regulations.....	28
Overlapping Indebtedness .....	28
Tax Delinquencies .....	28
Potential Delay and Limitations in Foreclosure Proceedings.....	29
Bankruptcy .....	29
Maximum Special Taxes .....	30
[Prepayment of Special Taxes .....	30
Disclosure to Future Purchasers .....	30
Limited Secondary Market .....	30
Secondary Market and Prices .....	31
Loss of Tax Exemption .....	31
Risk of Legislative and Judicial Changes.....	31
Special Tax Allocation .....	31
BOND INSURANCE .....	31
RATING .....	31
UNDERWRITING .....	31
LEGAL OPINIONS.....	32
TAX MATTERS.....	32
CONTINUING DISCLOSURE.....	33
THE UNDERTAKING.....	34
Annual Financial Information Disclosure .....	34
Reportable Events Disclosure.....	35
Consequences of Failure of the Village to Provide Information .....	35
Amendment; Waiver .....	36
Termination of Undertaking .....	36
Additional Information .....	36
Dissemination of Information; Dissemination Agent.....	36
NO LITIGATION.....	37
MISCELLANEOUS .....	37
AUTHORIZATION.....	37

APPENDIX A – Rate Method of Apportionment of Special Tax

APPENDIX B – Area Map

APPENDIX C – Trust Indenture

APPENDIX D – Form of Bond Counsel Opinion

[APPENDIX E – Specimen Municipal Bond Insurance Policy]

APPENDIX F – Area Description

**\$17,360,000\***  
**Village of Gilberts**  
**Kane County, Illinois**  
**Special Service Area Number Nine**  
**Special Tax Refunding Bonds, Series 2015 (Big Timber Project)**

**INTRODUCTORY STATEMENT**

This Preliminary Official Statement, which includes the cover page and Appendices attached hereto, is provided to furnish information in connection with the issuance and sale by the Village of Gilberts, Kane County, Illinois (the "Village") of \$17,360,000\* aggregate principal amount Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project) (the "Bonds"). The Bonds will be issued by the Village pursuant to (i) the Illinois Constitution of 1970; (ii) the Special Service Area Tax Law of the State of Illinois, as amended (the "Special Service Area Act"); (iii) the Illinois Local Government Debt Reform Act of the State of Illinois, as amended (the "Debt Reform Act"); (iv) Ordinance No. \_\_\_\_\_ of the Village adopted at a meeting held on April 7, 2015 (the "Bond Ordinance") providing for the issuance of the Bonds; and (v) a Trust Indenture dated as of \_\_\_\_\_, 2015 (the "Trust Indenture") between the Village and Amalgamated Bank of Chicago, Chicago, Illinois, as trustee (the "Trustee"). The Bonds will be issued as fully registered bonds without coupons in book entry only form in denominations of \$5,000 or any integral multiple of \$1,000 in excess thereof. The Bonds will be secured primarily by the proceeds of the Special Tax (as defined in the Village of Gilberts Special Service Area Number Nine Rate method of Apportionment of Special Tax dated February 27, 2001 attached hereto as APPENDIX A and hereafter referred to as the "RMA") levied on certain property within the Village of Gilberts Special Service Area Number Nine (the "Area" or the "Special Service Area"). In addition, the Bonds will be payable from and secured by certain funds and accounts established pursuant to the Trust Indenture. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" herein. Capitalized terms used but not defined herein shall have the meaning given such terms in the Trust Indenture. See "APPENDIX C - Trust Indenture."

The Special Service Area is bounded on the South by Big Timber Road and on the east by Tyrell Road in the Village. The Area has been developed with finished lots consisting of 926 detached single family homes ("Single Family Homes"), 489 attached single family units ("Townhomes") and 62 duplex units ("Duplexes"). A finished lot for a Single Family Home shall be sometimes referred to herein as a "Single Family Home Parcel." A Townhome and Duplex unit shall be sometimes referred to herein as a "Townhome Parcel" and "Duplex Parcel," respectively. Single Family Home Parcels, Townhome Parcels and Duplex Parcels are sometimes collectively referred to herein as "Parcels." See "SPECIAL SERVICES" for a more detailed description.

The proceeds of the Bonds will be used to (i) current refund all of the Village's outstanding Special Service Area Number Nine Special Tax Refunding Bonds, Series 2005 (the "Prior Bonds"), (ii) fund certain reserves and (iii) pay certain costs of issuance of the Bonds and refunding the Prior Bonds. The proceeds of the Prior Bonds were used by the Village to advance refund \$26,100,000 original principal amount of the Village's Special Service Area Number Nine Special Tax Bonds, Series 2001 (Big Timber Project) (the "2001 Bonds"). The 2001 Bonds were originally issued for the purpose of providing special services benefiting the Special Service Area consisting of sewer treatment plant, sewer collection and transmission facilities and mains, water wells, water treatment facilities, water storage and distribution facilities and mains, road improvements, site acquisition, engineering, surveying and professional fees and costs, and other eligible costs to serve the Special Service Area (the "Special Services").

---

\* Preliminary, subject to change.

THE BONDS ARE BEING ISSUED PURSUANT TO THE SPECIAL SERVICE AREA TAX LAW OF THE STATE OF ILLINOIS, AS AMENDED, AND, IN THE OPINION OF FOLEY & LARDNER LLP, CHICAGO, ILLINOIS, BOND COUNSEL, WILL CONSTITUTE VALID AND LEGALLY BINDING LIMITED OBLIGATIONS OF THE VILLAGE, PAYABLE SOLELY AND ONLY FROM THE SPECIAL TAX AND AMOUNTS ON DEPOSIT IN CERTAIN OF THE FUNDS AND ACCOUNTS ESTABLISHED AND MAINTAINED PURSUANT TO THE TRUST INDENTURE, AS SET FORTH HEREIN. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE VILLAGE AND NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE VILLAGE, THE COUNTY OF KANE, THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. NO HOLDER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE (OTHER THAN THE LEVY OF THE SPECIAL TAX AS DESCRIBED HEREIN) FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

## **THE BONDS**

### **General Description of the Bonds**

The Bonds will be issued in the aggregate principal amount of \$17,360,000\*, will bear interest at the rates, and will mature on the dates, as set forth on the inside cover page of this Preliminary Official Statement and are subject to optional, mandatory and extraordinary mandatory redemption as described herein. The Bonds will be issued only as fully registered bonds without coupons in book entry form, in authorized denominations of \$5,000 or any integral multiple of \$1,000 in excess thereof.

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. Principal of, premium, if any, and interest on the Bonds will be paid by the Trustee directly to DTC, which will remit such principal, premium, if any, and interest to DTC's Participants, who, in turn will be responsible for remitting such payments to the Beneficial Owners of the Bonds. See "THE BONDS - Book Entry Only System."

Interest on the Bonds will be paid in lawful money of the United States of America semiannually on March 1 and September 1 of each year (each, an "Interest Payment Date"), commencing September 1, 2015. Interest on the Bonds shall be calculated on the basis of a 360 day year composed of twelve 30 day months.

The sum of \$17,360,000\* shall be borrowed by the Village pursuant to the Special Service Area Act and the Local Government Debt Reform Act for the purpose of current refunding all of the Prior Bonds, funding certain reserves and paying costs of issuance of the Bonds and the refunding of the Prior Bonds. In evidence of such borrowing, the Bonds in the aggregate principal amount of \$17,360,000\* shall be issued as provided in the Bond Ordinance and the Trust Indenture. The Bonds shall be designated "Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project)" and shall be dated as of the date of the date of their delivery.

### **Redemption**

*Optional Redemption.* The Bonds maturing on or after March 1, 20\_\_ are subject to optional redemption prior to maturity at the option of the Village, in whole or in part, on any date on or after March 1, 20\_\_\_\_, at par, plus accrued and unpaid interest to the date of redemption.

---

\* Preliminary, subject to change.

Any optional redemption of the Bonds will be applied, to the extent possible, to reduce pro rata the amount of the Bonds maturing in each year and required to be redeemed by mandatory sinking fund redemption, so as to maintain the proportion of principal maturing or subject to mandatory sinking fund redemption in each year to the total original principal amount of the Bonds as of the date of issuance.

*Mandatory Sinking Fund Redemption.* The Bonds maturing March 1, 20\_\_ are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, to the extent set forth in the Trust Indenture, on March 1, of the years and in the amounts as follows:

Year	Amount
------	--------

The foregoing mandatory sinking fund redemption requirements are subject to adjustment as set forth in the Trust Indenture and as described below, upon any optional or mandatory redemption described below.

The Village covenants that it will redeem the Bonds pursuant to the mandatory sinking fund redemption requirements for the Bonds. Proper provision for mandatory redemption having been made, the Village covenants that the Bonds so selected for redemption shall be payable upon redemption and taxes have been levied and will be collected as provided in the Trust Indenture and in the Bond Ordinance for such purposes.

*Mandatory Redemption Upon Condemnation.* The Bonds are subject to mandatory redemption on any Interest Payment Date, in part at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from amounts in the Bond and Interest Fund consisting of the proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property dedicated to, or owned by, the Village within the Special Service Area and allocable to the Bonds as determined by the Special Tax Consultant retained by the Village in connection with the Special Service Area (the "Special Tax Consultant") and which proceeds are not used by the Village to rebuild the Special Services.

Any mandatory redemption of the Bonds as described in the preceding paragraph will be applied, to the extent possible, to reduce pro rata the amount of Bonds maturing in each year and required to be redeemed by mandatory sinking fund redemption so as to maintain the proportion of principal maturing or subject to mandatory sinking fund redemption in each year to the total original principal amount of the Bonds as of the date of issuance.

*Special Mandatory Redemption from Optional and Mandatory Prepayment of Special Tax.* Property owners may prepay the Special Taxes at any time. See "THE BONDS – Optional Prepayment of Special Taxes." The proceeds received from any such prepayments will be used to redeem the Bonds in part. Consequently, the Bonds are also subject to mandatory redemption on any March 1, June 1, September 1 or December 1, in part from amounts available for disbursement from the Special Redemption Account – Prepayment Subaccount (which includes optional prepayments of the Special Taxes and amounts transferred from the Reserve Fund to the Special Redemption Account) pursuant to the Indenture, at a redemption price equal to the principal amount to be redeemed, together with accrued interest on such Bonds to the date fixed for redemption.

The Bonds are subject to mandatory redemption on any March 1, June 1, September 1 or December 1, in whole or in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, in the event of a mandatory prepayment of the Special Taxes upon any event that reduces the total of the Maximum Parcel

Special Tax as described in and in the amounts set forth in Section 1 of the RMA, including amounts transferred from the Reserve Fund to the Special Redemption Account. The Village, or the Consultant on behalf of the Village, shall notify the Trustee of any such redemption and the amount of Bonds to be redeemed. If required, the Village may adopt a supplemental ordinance to provide for the levy of the Mandatory Special Tax Prepayment.

The Bonds are subject to mandatory redemption on any Interest Payment Date, in part, from Recaptureable Costs received by the Trustee pursuant to the Systems Agreement and on deposit in the Special Redemption Account – Recapture Subaccount of the Bond and Interest Fund at a redemption price of par plus accrued and unpaid interest to the redemption date.

Any special mandatory redemption of the Bonds pursuant to the previous three paragraphs will be applied, to the extent possible, to reduce pro rata the amount of the Bonds maturing in each year and required to be redeemed by mandatory sinking fund redemption pursuant to the Trust Indenture and so as to maintain the proportion of principal maturing or subject to mandatory sinking fund redemption in each year to the total original principal amount of the Bonds as of the date of issuance.

*Redemption Provisions; Notice of Redemption.* If less than all the Bonds of any maturity are to be redeemed on any redemption date, the Bond Registrar appointed in the Trust Indenture shall assign to each Bond of the maturity to be redeemed a distinctive number for each \$1,000 of principal amount of that Bond. Any notice of optional redemption may state that such redemption is conditional on and subject to the irrevocable deposit of funds sufficient to redeem the Bonds on the redemption date. In the event that on such date of optional redemption sufficient funds are not on deposit with the Trustee to redeem all Bonds called for redemption, the redemption shall be revoked and the Trustee shall promptly send notice to the Bondholders of such event. Any failure to redeem Bonds pursuant to such optional redemption shall not be an event of default under the Indenture. The Bond Registrar shall then select by lot from the numbers so assigned, using such method as it shall deem proper in its discretion, as many numbers as, at \$1,000 per number, shall equal the principal amount of the Bonds of that maturity to be redeemed; provided that following any redemption, no Bond shall be outstanding in an amount less than the minimum authorized denomination of \$5,000 except as necessary to effect the mandatory sinking fund redemption of the Bonds as set forth above.

Notice of the redemption of any Bonds, which by their terms shall have become subject to redemption, shall be given to the registered owner of each Bond or portion of a Bond called for redemption not less than 20 or more than 60 days before any date established for redemption of the Bonds, by the Bond Registrar, on behalf of the Village, by first class mail sent to the registered owner's last address, if any, appearing on the registration books kept by the Bond Registrar. All notices of redemption shall include at least the designation, date and maturities of the Bonds called for redemption, CUSIP Numbers, if available, and the date of redemption. In the case of a Bond to be redeemed in part only, the notice shall also specify the portion of the principal amount of the Bond to be redeemed. The mailing of the notice specified above to the registered owner of any Bond shall be a condition precedent to the redemption of that Bond, provided that any notice which is mailed in accordance with the Trust Indenture shall be conclusively presumed to have been duly given whether or not the owner received the notice. The failure to mail notice to the owner of any Bond, or any defect in that notice, shall not affect the validity of the redemption of any other Bond for which notice was properly given.

*Purchase in Lieu of Redemption.* In lieu of redemption as provided in the Trust Indenture, moneys in the Bond and Interest Fund may be used and withdrawn by the Village for the purchase of outstanding Bonds, at public or private sale as and when, and at such prices (including brokerage and other charges) as the Village may provide, but in no event may the Bonds be purchased at a price in excess of the principal amount of such Bonds, plus interest accrued to the date of purchase and any premium which would otherwise be due if such Bonds were to be redeemed in accordance with the Trust Indenture.

## **Optional Prepayment of Special Tax**

The manner in which Special Taxes may be prepaid is described in the RMA. Generally, the Special Taxes may be prepaid with respect to any Parcel of property (as defined in the RMA) at any time and the obligation to pay the Special Taxes permanently satisfied by the payment of (i) an amount equal to all delinquent Special Taxes on such Parcel, including any applicable penalties and related costs as required by law, and Special Taxes due on such Parcel but not yet paid for the Calendar Year in which such prepayment is made, plus (ii) an amount equal to the amount of prepayment determined in accordance with the formula set forth in the RMA. See APPENDIX A hereto for a more complete discussion of the calculation of the amount of prepayment of Special Taxes.

## **Book Entry Only System**

THE INFORMATION PROVIDED IMMEDIATELY BELOW CONCERNING DTC AND THE BOOK-ENTRY-ONLY SYSTEM, AS IT CURRENTLY EXISTS, IS BASED SOLELY ON INFORMATION PROVIDED BY DTC AND IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITER OR THE VILLAGE.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the

Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Village or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed

satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Village or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Village may decide to discontinue use of the book-entry system only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC. The Village takes no responsibility for the accuracy of such information.

NEITHER THE VILLAGE, THE UNDERWRITER, NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM ON THE BONDS; (3) THE DELIVERY BY ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST INDENTURE TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

## THE REFUNDING PLAN

The proceeds of the Bonds, when issued, will be used to (i) current refund all of the outstanding Prior Bonds, as described below, (ii) fund certain reserves and (iii) pay costs associated with the issuance of the Bonds and the refunding of the Prior Bonds. The Prior Bonds to be refunded are described below:

<u>March 1</u>	<u>Outstanding Amount</u>	<u>Amount Refunded</u>	<u>Redemption Price</u>	<u>Redemption Date</u>
2016	\$688,000	\$688,000	100%	May __, 2015
2017	748,000	748,000	100	May __, 2015
2018	813,000	813,000	100	May __, 2015
2019	877,000	877,000	100	May __, 2015
2020	946,000	946,000	100	May __, 2015
2021	1,014,000	1,014,000	100	May __, 2015
2022	1,090,000	1,090,000	100	May __, 2015
2023	1,167,000	1,167,000	100	May __, 2015
2024	1,248,000	1,248,000	100	May __, 2015
2025	1,336,000	1,336,000	100	May __, 2015
2026	1,424,000	1,424,000	100	May __, 2015
2027	1,525,000	1,525,000	100	May __, 2015
2028	1,630,000	1,630,000	100	May __, 2015
2029	1,739,000	1,739,000	100	May __, 2015
2030	<u>1,855,000</u>	<u>1,855,000</u>	100	May __, 2015
<b>TOTAL</b>	<b>\$18,100,000</b>	<b>\$18,100,000</b>		



A portion of the proceeds of the Bonds will be transferred to Amalgamated Bank of Chicago, Chicago, Illinois as trustee for the Prior Bonds for the purpose of refunding all of the outstanding Prior Bonds on the Date of Delivery, currently expected to be May \_\_, 2015. A portion of the proceeds of the Bonds will be used to fund the Reserve Fund pursuant to the Bond Ordinance in the amount of the Reserve Requirement.

## **SPECIAL SERVICES**

Proceeds of the 2001 Bonds were used to construct, acquire and install certain Special Services within the Area consisting of sewer treatment plant, sewer collection and transmission facilities and mains, water wells, water treatment facilities, water storage and distribution facilities and mains, road improvements, site acquisition, engineering, surveying and professional fees and costs, and other eligible costs to serve the Special Service Area and other improvements permitted to be financed through a Special Service Area. Those Special Services included a portion of the public improvements constructed and to be constructed pursuant to an Amended and Restated Systems Agreement dated March 21, 2001 (the "Systems Agreement") entered into by and among the Village, certain developers named therein, Richard Barancik, and The Northern Trust Company, not personally, but as Trustee under Trust Agreement dated June 30, 2000 and known as Trust No. 9717 (collectively, "Barancik"), as owner of a parcel of property north of the Area which derives benefit from the Special Services (the "Barancik Parcel"), Harris Bank Barrington, as Trustee under Trust Agreement dated October 1, 1989, and known as Trust Number 11-4033 (the "Timber Trails Owner"), and Home State Bank Crystal Lake, N.A., not personally but solely as Trustee under Trust Agreement dated June 22, 2000 and known as Trust No. 4934 (the "Woodland Meadows Owner"). The Systems Agreement describes three phases of public improvements and certain in-line public improvements. The first phase of improvements consisted of the water and wastewater treatment plants, wells and a water storage tank (the "Phase I Improvements"). The second phase consisted of water mains, sanitary sewer lines and a lift station at the Barancik Parcel, which shall connects the treatment plants to a parcel of property within the Village known as Old Town (the "Phase II Improvements"). The third phase included improvements within Old Town, including the connection of water and sewer services to each of the 59 Old Town properties as well as related road reconstruction and storm drainage (the "Phase III Improvements"). All of the Phase I, Phase II and Phase III Improvements have been completed. In addition to the Phase I, Phase II and Phase III Improvements, certain "In-Line Public Improvements" were to be installed within the Area. The In-Line Improvements financed by the 2001 Bond proceeds included certain sanitary sewer improvements, water main, storm drain and roadway improvements. All of the In-Line Improvements have been installed within the Area.

## **ESTIMATED SOURCES AND USES OF FUNDS**

### **Sources of Funds:**

Par Amount of Bonds	\$17,360,000.00*
Prior Bonds Proceeds Funds and Accounts	_____
Net Original Issue Premium	_____
Total:	\$_____

### **Uses of Funds:**

Current refunding	\$_____
Costs of Issuance <sup>(1)</sup>	_____
Reserve Fund	_____
Total:	\$_____

(1) Costs of Issuance include underwriter's discount, municipal bond insurance fees, counsel fees, and other costs associated with the issuance of the Bonds.

---

\* Preliminary, subject to change.

## DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service schedule for the Bonds based on the maturity, and interest rate set forth on the inside cover of this Preliminary Official Statement, assuming no redemptions other than mandatory sinking fund redemptions are made:

<u>March 1</u>	<u>Principal*</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
2016	\$840,000			
2017	810,000			
2018	855,000			
2019	900,000			
2020	950,000			
2021	1,010,000			
2022	1,070,000			
2023	1,140,000			
2024	1,215,000			
2025	1,295,000			
2026	1,380,000			
2027	1,465,000			
2028	1,570,000			
2029	1,210,000			
2030	<u>1,650,000</u>			
Total	\$17,360,000			

---

\* Preliminary, subject to change.

## EXPECTED SPECIAL TAX AND DEBT SERVICE COVERAGE

Bond Year <u>Ending</u>	Bonds Proposed Debt Service*	Trustee & Admin. Fees <sup>(1)</sup>	Reserve Fund Earnings <sup>(2)*</sup>	Adjusted Debt Service*	Maximum Special Tax <sup>(3)</sup>	Debt Service Coverage*
3/1/2016	\$1,439,412	\$22,656	(\$17,360)	\$1,444,708	\$2,666,577	1.85
3/1/2017	1,463,350	22,996	(17,360)	1,468,986	2,706,584	1.84
3/1/2018	1,492,150	23,341	(17,360)	1,498,131	2,747,184	1.83
3/1/2019	1,520,050	23,691	(17,360)	1,526,381	2,788,387	1.83
3/1/2020	1,547,550	24,046	(17,360)	1,554,236	2,830,208	1.82
3/1/2021	1,579,050	24,407	(17,360)	1,586,097	2,872,669	1.81
3/1/2022	1,608,750	24,773	(17,360)	1,616,163	2,915,757	1.80
3/1/2023	1,635,950	25,144	(17,360)	1,643,734	2,959,492	1.80
3/1/2024	1,665,350	25,522	(17,360)	1,673,512	3,003,883	1.79
3/1/2025	1,696,750	25,904	(17,360)	1,705,294	3,048,948	1.79
3/1/2026	1,729,950	26,293	(17,360)	1,738,883	3,094,679	1.78
3/1/2027	1,759,750	26,687	(17,360)	1,769,077	3,141,094	1.78
3/1/2028	1,791,500	27,088	(17,360)	1,801,228	3,188,214	1.77
3/1/2029	1,353,000	27,494	(512,250)	868,244	3,236,038	3.73
3/1/2030	<u>1,732,500</u>	27,906	(1,202,250)	558,156	3,284,575	5.88
	\$24,015,062					

(1) Trustee and Administrative Fees are estimated at \$22,656 per year and are projected to increase 1.5% per year.

(2) Assumes a 1.00% investment rate on the Reserve Fund.

(3) Adjusted for optional prepayment of special tax for four (4) townhomes. See "THE SPECIAL SERVICE AREA AND SPECIAL TAX - Maximum Special Tax For Levy Years 2015-2028."

## SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

### General

The Bonds and the interest thereon are limited obligations of the Village secured and payable from (i) the Special Taxes to be levied, extended and collected on all the taxable real property within the Area subject to the Special Taxes, (ii) amounts deposited in the Bond and Interest Fund, and the Reserve Fund, including a portion of the proceeds of the Bonds and the interest, profits and other income derived from the investment thereof. When collected, the Special Taxes and any Foreclosure Proceeds shall be placed in the Bond and Interest Fund. In addition, proceeds received by the Village from a condemnation of any of the Special Services or any other property owned by or dedicated to the Village within the Special Service Area and allocable to the Bonds which is not used to rebuild the Special Services shall be deposited in the Bond and Interest Fund as security for the Bonds.

IN THE OPINION OF BOND COUNSEL, THE BONDS WILL CONSTITUTE VALID AND LEGALLY BINDING LIMITED OBLIGATIONS OF THE VILLAGE, PAYABLE SOLELY AND ONLY FROM THE SPECIAL TAXES (AS PROVIDED IN THE BOND ORDINANCE, THE RMA AND THE TRUST INDENTURE) AND AMOUNTS ON DEPOSIT IN CERTAIN OF THE FUNDS AND ACCOUNTS ESTABLISHED AND MAINTAINED UNDER THE TRUST INDENTURE, AS SET FORTH HEREIN. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE VILLAGE AND NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE VILLAGE, THE COUNTY OF KANE, THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. NO HOLDER OF

ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE (OTHER THAN THE LEVY OF THE SPECIAL TAX) FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

The amount of Special Taxes that the Village may levy in the Area in any year is strictly limited by the maximum rates approved by the Corporate Authorities at the time of formation of the Area. The Village is legally authorized under the Special Service Area Act, and has covenanted in the Trust Indenture, to extend and collect the Special Taxes in an amount determined according to the RMA. Pursuant to the Bond Ordinance the Village has levied the Special Taxes in the amounts set forth in the Total SSA No. 9 Maximum Parcel Special Taxes column in the Table under the caption "THE SPECIAL SERVICE AREA AND SPECIAL TAX - Maximum Special Tax for Levy Years 2015-2028" and will abate such tax each year to the extent it is not required to pay principal or interest on the Bonds, replenish the Reserve Fund to the Reserve Requirement and pay anticipated Administrative Expenses. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - The Special Tax" below. The RMA apportions the total amount of Special Taxes to be collected among the Parcels in the Area as more particularly described herein. The Maximum Parcel Special Tax will remain unchanged for the property that did not result in the application of the Mandatory Special Tax Prepayment provisions. See "THE SPECIAL SERVICE AREA AND SPECIAL TAX - Special Service Area Rate Method of Apportionment of Special Tax" and "APPENDIX A - Rate Method of Apportionment of Special Tax."

### **The Special Tax**

The levying of the Special Tax was authorized by the Village in Ordinance No. 01-10, adopted at a meeting held on March 20, 2001 (the "Establishing Ordinance"). Pursuant to the Establishing Ordinance, the Village caused the Establishing Ordinance to be recorded within 60 days of its adoption with the Recorder of Deeds of Kane County, Illinois.

The Bonds are secured by, among other things, a pledge of the Special Tax including all scheduled payments of the Special Taxes received by the Village, interest thereon, and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Tax. Pursuant to the Bond Ordinance the Village has levied the Special Taxes in the amounts set forth in the Total SSA No. 9 Maximum Parcel Special Taxes column in the Table set forth below under the caption "THE SPECIAL SERVICE AREA AND SPECIAL TAX - Maximum Special Tax for Levy Years 2015-2028", and will abate such tax each year to the extent it exceeds the Special Tax Requirement as calculated by the Consultant on its behalf. The Village has covenanted in the Bond Ordinance and the Trust Indenture annually on or before the last Tuesday of December for each of the years 2015 through 2028 to calculate or cause the Consultant to calculate the Special Tax Requirement for the next preceding year; to amend the Special Tax Roll to adopt an ordinance approving the amount of the Special Tax Requirement and abating the Special Taxes levied pursuant to the Bond Ordinance to the extent the Special Taxes levied exceed the Special Tax Requirement as calculated by the Village pursuant to the Establishing Ordinance and the RMA; and to provide the Kane County tax collector the amended Special Tax Roll. See "THE SPECIAL SERVICE AREA AND SPECIAL TAX - Special Service Area Rate Method of Apportionment of Special Tax."

The levy of the Special Taxes is subject to certain limitations. The levy of the Special Taxes on each Parcel within the Area is constrained by the Maximum Parcel Special Tax amount applicable to such Parcel. See "THE SPECIAL SERVICE AREA AND SPECIAL TAXES – Special Service Area Rate Method of Apportionment of Special Tax" and "RISK FACTORS – Maximum Special Taxes" herein. The full amount of the Maximum Parcel Special Tax as set forth in the subcaption under the caption "Rate Method of Apportionment of Special Tax" has been levied pursuant to the Bond Ordinance.

Although the Special Taxes, when levied, will constitute a lien on Parcels within the Area, it does not constitute a personal indebtedness of the owners of such property within the Area. There is no

assurance that the owners of property in the Area will be financially able to pay the annual Special Taxes or that they will pay such tax even if financially able to do so. See "RISK FACTORS" herein.

### **[Segregation of the Special Tax**

Pursuant to the Bond Ordinance and for the purpose of providing the funds required to pay the interest on the Bonds when and as the same falls due and to pay and discharge the principal thereof at maturity, the Special Tax shall be paid to the Trustee, in accordance with the following procedure: At or prior to the delivery of the Bonds, the Village Treasurer shall deliver to the Kane County Collector and to the Trustee a Segregation Order and Authorization Agreement for Automatic Deposits (ACH Credits) directing that the Special Tax be segregated and paid to the Trustee. Promptly upon receipt of the Special Tax, the County Collector shall segregate and pay directly to the Trustee the Special Tax.]

### **Pledged Funds**

*Bond and Interest Fund.* The Trust Indenture creates and establishes with the Trustee a separate and special fund of the Village established exclusively for paying principal of, interest on and redemption premium on the Bonds and which is designated as "The Special Service Area Number Nine Special Tax Refunding Bonds, Bond and Interest Fund" (the "Bond and Interest Fund"). When collected, the Special Taxes, including amounts transferred to the Trustee from the Bond and Interest Fund created for the Prior Bonds, and the Foreclosure Proceeds, including any interest and penalties collected in connection with such Special Taxes or Foreclosure Proceeds shall be placed in the Bond and Interest Fund. The Village may provide for Kane County to transmit directly to the Trustee for deposit to the Bond and Interest Fund any Special Tax collected by Kane County. In addition, proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property dedicated to or owned by the Village within the Special Service Area allocable to the Bonds which is not used to rebuild the Special Services shall be deposited in the Bond and Interest Fund and the Village shall identify for the Trustee the amount so deposited. Moneys deposited in the Bond and Interest Fund and investments of the Bond and Interest Fund shall never be commingled with or loaned to any other funds of the Village. All interest and other investment earnings on the Bond and Interest Fund shall become, when received, a part of the Bond and Interest Fund.

Amounts deposited in the Bond and Interest Fund are appropriated for and irrevocably pledged to, and shall be used solely for the purpose of, paying the principal of and interest and redemption premium on the Bonds, or for transfers to the Reserve Fund or the Administrative Expense Fund as permitted in the Trust Indenture.

At any time after September 1 but in no event later than December 1 of each year, the Trustee will determine the amount needed to pay principal of and interest and redemption premium on the Bonds on the next succeeding Interest Payment Date. If the Trustee determines that sufficient amounts are on deposit in the Bond and Interest Fund to pay principal of, interest on and redemption premium due on the Bonds on the next succeeding Interest Payment Date, the Trustee shall notify the Village of any excess amounts on deposit in the Bond and Interest Fund and, at the written direction of the Village, shall transfer an amount from the Bond and Interest Fund to the Administrative Expense Fund which the Village, has determined will be adequate, together with other amounts in the Administrative Expense Fund or reasonably expected to be transferred to or deposited in such Fund, to pay all Administrative Expenses during the succeeding calendar year. After making such transfer to the Administrative Expense Fund any excess amounts on deposit in the Bond and Interest Fund will be transferred to the Reserve Fund to the extent necessary to replenish the Reserve Fund to the Reserve Requirement (as defined below under the subcaption "Reserve Fund"). If any excess amounts exist in the Bond and Interest Fund, after making the foregoing deposit, such excess shall be considered by the Village when determining the amount of Special Taxes to be collected pursuant to the Trust Indenture.

*Special Redemption Account.* A separate account designated the "Special Redemption Account" exists within the Bond and Interest Fund established with the Trustee. There are created within such account two subaccounts designated "Recapture Subaccount" and "Prepayment Subaccount." All prepayments of the Special Taxes made in accordance with the RMA shall be deposited in the Special Redemption Account – Prepayment. Moneys in the Special Redemption Account – Prepayment Subaccount shall be used exclusively to redeem Bonds pursuant to the Trust Indenture as described under the caption "THE BONDS - Redemption - Special Mandatory Redemption from Optional and Mandatory Prepayment of Special Tax" or to pay debt service on the Bonds pursuant to the Trust Indenture. In the event of any prepayment of Special Tax, prior to giving notice of the redemption of Bonds in accordance with the Trust Indenture, the Trustee shall transfer from the Reserve Fund to the Special Redemption Account – Prepayment Subaccount an amount equal to the Reserve Fund Credit as determined by and upon the direction of the Consultant. When the amount on deposit in the Special Redemption Account – Prepayment Subaccount equals \$1,000, such amount shall be used to redeem the Bonds on the next March 1, June 1, September 1 or December 1 in accordance with the Trust Indenture. On each such March 1, June 1, September 1 or December 1, the Trustee shall withdraw from the Special Redemption Account – Prepayment Subaccount and pay to the owners of the Bonds the amounts to redeem the Bonds pursuant to the Trust Indenture. Notwithstanding the foregoing, any amounts contained in the Special Redemption Account – Prepayment Subaccount for a continuous period of thirty (30) months and which will not be used to redeem the Bonds on the next March 1, June 1, September 1 or December 1 in accordance with the immediately preceding sentence and Section 4.4 shall be used to pay debt service on the Bonds on the next Interest Payment Date. Any amounts contained in the Special Redemption Account – Prepayment Subaccount on the final maturity date of the Bonds shall be used to pay outstanding debt service on the Bonds.

All Recapturable Costs received by the Trustee pursuant to the Systems Agreement and any recapture ordinance enacted pursuant to Section 5 thereof shall be deposited in the Special Redemption Account – Recapture Subaccount. Moneys in the Special Redemption Account – Recapture Subaccount shall be used exclusively to redeem the Bonds pursuant to the Trust Indenture or to pay debt service on the Bonds pursuant to the Trust Indenture. When the amount on deposit in the Special Redemption Account – Recapture Subaccount equals \$1,000, such amount shall be used to redeem the Bonds on the next Interest Payment Date in accordance with Trust Indenture. On each such Interest Payment Date, the Trustee shall withdraw from the Special Redemption Account – Recapture Subaccount and pay to the owners of the Bonds the amounts to redeem the Bonds pursuant to the Trust Indenture. Notwithstanding the foregoing, any amounts contained in the Special Redemption Account – Recapture Subaccount for a continuous period of thirty (30) months and which will not be used to redeem Bonds on the next Interest Payment Date in accordance with the Trust Indenture shall be used to pay debt service on the Bonds on the next Interest Payment Date. Any amounts contained in the Special Redemption Account – Recapture Subaccount on the final maturity date of the Bonds shall be used to pay outstanding debt service on the Bonds.

*Reserve Fund.* A separate and special fund of the Village exists with the Trustee which is designated as "The Special Service Area Number Nine Special Tax Refunding Bonds, Reserve Fund" (the "Reserve Fund"), and which must be maintained in an amount equal to the Reserve Requirement. The Reserve Requirement is \$[1,736,000], as reduced by the amount of any Reserve Fund Credits pursuant to the Trust Indenture and as described in the preceding paragraph. Amounts deposited in the Reserve Fund shall be used solely for the purpose of (i) making transfers to the Bond and Interest Fund to pay the principal of, including mandatory sinking fund payments, and interest and any premium on, all Bonds when due, in the event that moneys in the Bond and Interest Fund are insufficient therefor, (ii) making any transfers to the Bond and Interest Fund if the aggregate balance in the Reserve Fund exceeds the amount required to redeem all Bonds then outstanding, or (iii) making transfers to the Special Redemption Account – Prepayment Subaccount of the Bond and Interest Fund pursuant to the Indenture or (iv) if the amount then on deposit in the Reserve Fund is at least equal to the Reserve Requirement, for transfer in accordance with the Trust Indenture, and as described in the next paragraph.

On the Business Day prior to each Interest Payment Date, moneys in the Reserve Fund in excess of the Reserve Requirement shall be transferred by the Trustee from the Reserve Fund to the Bond and Interest Fund to be used for the payment of interest on Bonds on the next following Interest Payment Date.

*Costs of Issuance Fund.* A separate and special fund of the Village exists with the Trustee which is designated as "The Special Service Area Number Nine Special Tax Refunding Bonds, Costs of Issuance Fund" (the "Costs of Issuance Fund"). Amounts deposited in the Costs of Issuance Fund shall be used solely for the purpose of paying costs incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds. On the date which is six (6) months after the date of issuance of the Bonds, the Trustee shall transfer all amounts remaining in the Costs of Issuance Fund to the Bond and Interest Fund.

### **Non-Pledged Funds**

*Administrative Expense Fund.* A separate and special fund of the Village which is designated as "The Special Service Area Number Nine Special Tax Refunding Bonds, Administrative Expense Fund" (the "Administrative Expense Fund") exists with the Trustee. Amounts in the Administrative Expense Fund shall be withdrawn by the Trustee and paid to the Village or its order upon receipt by the Trustee of a written request from an Authorized Officer stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense, and the nature of such Administrative Expense.

*Rebate Fund.* A separate and special fund of the Village exists with the Trustee which is designated as "The Special Service Area Number Nine Special Tax Refunding Bonds, Rebate Fund" (the "Rebate Fund"), into which there shall be deposited as necessary investment earnings in the Bond and Interest Fund and the Reserve Fund to the extent required so as to maintain the tax exempt status of interest on the Bonds. All rebates, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) shall be payable from the Rebate Fund.

Amounts in the Administrative Expense Fund and the Rebate Fund are not pledged to the repayment of the Bonds.

### **Investment of Funds**

Moneys on deposit in the various funds and accounts established under the Trust Indenture may be invested from time to time in Qualified Investments pursuant to directions from the Village to the Trustee provided that moneys on deposit in the Special Redemption Account shall be invested only in Qualified Investments having a maturity on or prior to the next occurring March 1, June 1, September 1, or December 1. Except as otherwise expressly provided in the Trust Indenture, earnings or losses on such investments will be attributed to the fund or account for which the investment was made. In the event that the Trustee does not receive directions from the Village to invest funds held under the Trust Indenture, the Trustee shall invest such funds in investments described in clause (vii) of Qualified Investments. Notwithstanding anything in the Trust Indenture to the contrary, at the written direction of the Village, the Trustee shall invest amounts on deposit in the Special Redemption Account of the Bond and Interest Fund such that the yield on the investment does not exceed the yield on the Bonds. Investments on deposit in all funds and accounts established under the Trust Indenture shall be valued at market value at least quarterly.

### **Covenants of the Issuer**

Pursuant to the Trust Indenture, the Village has covenanted for the benefit of the holders of the Bonds (the "Bondowners") that the Village will:

(a) take all actions, if any, which shall be necessary, in order further to provide for the levy, extension, collection and application of the taxes levied by the Trust Indenture and the Bond Ordinance, including enforcement of the Special Taxes as provided below;

(b) not take any action which would adversely affect the levy, extension, collection and application of the taxes levied pursuant to the Bond Ordinance and the Trust Indenture, except to abate those taxes to the extent permitted by the Trust Indenture and the RMA;

(c) comply with all requirements of the Special Service Area Act, the Bond Ordinance and other applicable present and future laws concerning the levy, extension and collection of the Special Taxes levied pursuant to the Bond Ordinance and Trust Indenture, in each case so that the Village shall be able to pay the principal of and interest on the Bonds as they come due and replenish the Reserve Fund to the Reserve Requirement and it will take all actions necessary to assure the timely collection of the Special Taxes, including without limitation, the enforcement of any delinquent Special Taxes by providing the County of Kane with such information as is deemed necessary to enable the County to include any property subject to a delinquent Special Taxes in the County Collector's annual tax sale and, in the event that a tax lien is forfeited at such sale, the commencement and maintenance of an action to foreclose the lien of any delinquent Special Taxes, all in the manner provided by law;

(d) not encumber, pledge or place any charge or lien upon any of the Special Taxes or other amounts pledged to the Bonds superior to, or on a parity with, or junior to, the pledge and lien created in the Trust Indenture for the benefit of the Bonds, except as permitted by, or specifically set forth in, the Trust Indenture including in connection with the issuance of refunding Bonds;

(e) take all actions which are necessary to be taken (and avoid any actions which it is necessary to avoid being taken), so that interest on the Bonds will not be or become included in gross income for federal income tax purposes under existing law; and

(f) keep, or cause the Trustee to keep, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries will be made of all transactions relating to the deposits to and expenditure of amounts disbursed from the Funds and Accounts created under the Trust Indenture and the Special Tax.

### **Enforcement of Payment of Special Taxes**

In Illinois, general ad valorem property taxes are levied in one year and become payable during the following year. At the end of each collection year, the Kane County Treasurer applies to the Circuit Court of Kane County, for a judgment for all unpaid general ad valorem property taxes. The Circuit Court of Kane County order resulting from that application for judgment provides for a sale of all property with unpaid general ad valorem property taxes. A public sale is held, at which time successful bidders pay the unpaid general ad valorem property taxes plus penalties (i.e., interest penalties and certain other costs). The annual tax sale is usually held during October of any given year in Kane County. Unpaid general ad valorem property taxes accrue penalties at the rate of 1 1/2% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the purchaser of the delinquent taxes on the property at the general tax sale the amount paid at the sale, plus a penalty. If redemption does not occur within two and one half years and certain procedural requirements are met, the purchaser of the property at the tax sale may petition for, and receive a deed to the property which has been sold for delinquent taxes. Any delinquent Special Taxes for any given year would be included in this general tax sale. If there is no sale of the tax lien on a parcel of property at the annual tax sale, and the taxes remain unpaid, the taxes are forfeited and eligible to be purchased at any time thereafter at an amount equal to all



delinquent taxes and interest to the date of purchase. Redemption periods and procedures are the same as applicable to the annual tax sale.

In addition to using the annual tax sale as an enforcement mechanism, a municipality may seek enforcement of unpaid Special Taxes through commencement of foreclosure proceedings pursuant to the Special Service Area Act.

If a delinquency in the payment of the Special Taxes occurs, the Village is authorized by the Special Service Area Act to order institution of an action pursuant to Article 9 of the Illinois Municipal Code (65 ILCS 5/9-1-1, *et seq.*) to foreclose any lien therefor securing the Special Taxes. In such an action, a court having jurisdiction would enter a foreclosure decree authorizing the sale of the property subject to the lien of the Special Taxes, and the real property subject to the lien of the Special Taxes would be sold at a judicial foreclosure sale. The ability of the Village to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the property owner in the event that the property is owned by any receivership of the Federal Deposit Insurance Corporation (the "FDIC"). See "RISK FACTORS - Bankruptcy" and "RISK FACTORS - Tax Delinquencies."

Such judicial foreclosure proceedings are not mandatory under the Special Service Area Act. However, in the Trust Indenture, the Village has covenanted with the holders of the Bonds to take all actions, if any, which shall be necessary to provide for the levy and extension, collection and application of the Special Taxes, and to assure the timely collection of the Special Taxes, including without limitation, the enforcement of any delinquent Special Taxes by the commencement and maintenance of an action to foreclose the lien of any delinquent Special Taxes; provided, however, that the Village's obligation to institute any foreclosure action shall only arise if the Village makes the determination that the proceeds from each foreclosure action have a commercially reasonable expectation of exceeding the costs thereof.

No assurances can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. See "RISK FACTORS - Potential Delay and Limitations in Foreclosure Proceedings" below. Article 9 of the Illinois Municipal Code provides that the municipality or its assignee may file a complaint to foreclose a special service area tax lien in the same manner that foreclosures are permitted by law in case of delinquent general taxes. The "law in case of delinquent general taxes" to which the Illinois Municipal Code refers is the Illinois Revenue Code. Under such foreclosure proceedings, the court adjudicates the existence of a default in the payment obligation and authorizes a foreclosure sale; the sale is conducted and the proceeds distributed according to the respective priorities; the successful bidder is given a certificate of sale; and, if the redemption period expires without a redemption of the special service area taxes, the certificate of sale may be converted to a deed. Although the municipality holds the lien for the local improvement and is therefore the proper party to commence foreclosure procedures, bondholders with bonds secured by special service area taxes may compel the municipality to perform its duty and use all lawful means, including foreclosure, to collect the taxes out of which the bondholders are to be paid. Special service area taxes create a lien that is superior to other liens and encumbrances, and when general property taxes and Special Taxes are both delinquent, the proceeds of any foreclosure action, if insufficient to pay each in full, are divided between them on a pro rata basis. If special service area taxes are not paid in full at a foreclosure sale, and the lien amounts are bid in at such foreclosure sale, then unless the special service area taxes are then redeemed through payment of the amount of the special service area taxes plus interest, the certificate of sale can be converted into a deed to the property only after expiration of the applicable redemption period. The Illinois Constitution prescribes certain minimum redemption periods for unpaid taxes on property, including special service area taxes, but the Illinois General Assembly may create longer redemption periods. For residential property with less than seven dwelling units, the Illinois Constitution provides for a minimum two year redemption period. The corresponding statute, however, permits the delinquent owner of such property to redeem it for two and a half years (35 ILCS 200/21-350). Additionally, in

certain circumstances the redemption period may be extended for a period which will expire no later than 3 years from the date of the sale (35 ILCS 200/21-385). If the property can also be considered "vacant non-farm real estate," the Constitution authorizes a reduction of the redemption period to one year, but the statute applicable to special service area taxes contains no such exception.

No assurances can be given that the real property subject to sale or foreclosure and sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent installment of special service area taxes. Neither the Special Service Area Act nor Article 9 of the Illinois Municipal Code requires the Village to purchase or otherwise acquire any lot or parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale. Article 9 of the Illinois Municipal Code does specify that the special service area taxes will have the same lien priority in the case of delinquency as the priority of the lien of ad valorem property taxes.

**If the Reserve Fund is depleted and delinquencies in the payment of Special Tax exist, there could be a default or delay in payments to the Bond owners pending the annual tax sale and/or prosecution of foreclosure proceedings and receipt by the Village of the sale and/or foreclosure sale proceeds, if any. However, within the limits of the RMA and the Special Service Area Act, the Village may adjust the Special Tax levied on all property within the Area in future Calendar Years to provide an amount, taking into account such delinquencies, required to pay debt service on the Bonds and to replenish the Reserve Fund. The amounts of the maximum Special Taxes are sufficient to pay the amounts required by the Trust Indenture to be paid on the Bonds (except with respect to a Mandatory Prepayment); however, there are no assurances that the taxes levied will always be collected in their entirety.**

### **Tax Sales and Foreclosures**

Parcels delinquent on payment of special taxes were subject to the County Tax Sale held on October 27, 2014. Prior to County Tax Sale, purchasers of delinquent property taxes at previous tax sales are eligible to purchase current delinquent property taxes of properties for which they hold outstanding claims. Prior to the tax sale, there were three (7) parcels with delinquent special taxes of \$6,280.16. [Delinquent property taxes for all 7 parcels were purchased at the tax sale.]

The Special Service Area Act provides the lien and foreclosure remedies provided for in Article 9 of the Illinois Municipal Code shall apply upon the nonpayment of the special tax. **No foreclosures have commenced as of the date of this Preliminary Official Statement.**

### **THE SPECIAL SERVICE AREA AND SPECIAL TAX**

#### **The Act**

Section 7(6) of Article VII of the Illinois Constitution of 1970 permits a non-home rule unit to levy or impose additional taxes upon areas within its boundaries to provide special services to those areas and to pay debt incurred in order to provide those special services in the manner provided by law. Such areas are established pursuant to the provisions of the Special Service Area Act. Under the Special Service Area Act, the Corporate Authorities of the municipality within which the special service area lies constitute the governing body of such special service area.

The Special Service Area Act provides that bonds may be issued to provide for the special services. Such bonds do not constitute indebtedness of the municipality in which the special service area is situated for the purpose of any limitation imposed by any law. Such bonds shall be retired by a tax which may be an ad valorem property tax, a special tax, or a combination of an ad valorem property and a special tax. A special tax may be levied or imposed on any basis that provides a rational relationship between the amount of special tax levied or imposed against each lot or parcel within the special service

area and the special service benefit conferred. The Special Service Area Act further provides that the lien and foreclosure remedies provided in Article 9 of the Illinois Municipal Code shall apply on non-payment of any special tax.

The Special Service Area Act contains a provision that allows residents of a special service area to petition the circuit court having jurisdiction to disconnect territory from the special service area if, among other things, such territory was not, is not, and is not intended by the corporate authorities which created the special service area to be benefited or served by services then existing or authorized, and that such territory constitutes less than 1-1/2% of the special service area's total equalized assessed valuation. The Village has represented that no parcel within the Area meets this test.

### **Establishment of the Area**

Pursuant to the Special Service Area Act, the Corporate Authorities of the Village adopted Ordinance No. 00-20 on June 13, 2000 proposing to establish the Area. Pursuant to a notice published in a newspaper of general circulation within the Village and pursuant to notice by mail to each person in whose name general taxes for the last proceeding year were paid on each parcel of land within the Area, public hearings were held on July 5, 2000 and on March 20, 2001 to further consider establishment of the Area. At a meeting held on March 20, 2001 the Village Board of Trustees adopted Ordinance No. 01-10 (the "Establishing Ordinance"), which established the Area to provide certain special services, and authorized the Village to levy and collect Special Taxes in the manner set forth in the RMA, to pay principal of and interest on the Bonds secured by the Special Taxes. The Village caused the Declaration of Consent and the Establishing Ordinance to be recorded in the Office of the Recorder of Deeds of Kane County prior to the issuance of the Series 2001 Bonds.

### **Boundaries of the Area**

The Special Service Area is bounded on the South by Big Timber Road and on the east by Tyrell Road in the Village. See Appendix B for an Area map and see Appendix F for a legal description of the Area.

The number of units in each plat is summarized below:

#### **Special Service Area No. 9 Land Use Summary**

	<u>Number of Dwelling Units</u>		
<u>Classification</u>	<u>Total</u>	<u>Prepaid</u>	<u>Remaining/Taxable</u>
Single Family Homes:			
Timber Trails/RDG Project	842	0	842
Brittany Project	82	0	82
Duplexes	62	0	62
Townhome	<u>489</u>	<u>4</u>	<u>485</u>
<b>Total</b>	1,476	4	1,472

Currently there is buildable space in the Area for an additional \_\_ townhome units, \_\_ duplex units and \_\_ single family units.

### **Levy, Abatement and Collection of Special Tax**

In Illinois, property taxes levied in one year become payable during the following year as provided in said levy. Pursuant to the Bond Ordinance, the Village has levied the Maximum Parcel

Special Tax for all parcels within the Area. Pursuant to the Trust Indenture and the RMA, the Village has covenanted that prior to the last Tuesday of December of each year the President and Board of Trustees of the Village shall determine the Special Tax Requirement due as provided in the RMA, taking into account other amounts that may be available to pay principal of and interest on the Bonds and administrative expenses, to amend the Special Tax Roll pursuant to the Special Tax Report and shall, by ordinance, approve the amount of the Special Tax Requirement and direct the County Clerk of Kane County to extend the Special Tax for collection on the tax books in the amounts so determined pursuant to the RMA against all parcels of taxable property in the Area. The Kane County Clerk must receive the Special Tax Roll by the last Tuesday in December. The Kane County Clerk has incorporated the Special Tax bill into the regular ad valorem property tax bill which is payable in two equal installments, however, the Kane County Clerk is not legally required to bill the Special Taxes. In the event the Kane County Clerk does not incorporate the Special Tax bill into the regular ad valorem property tax bill, the Village would send a separate tax bill to property owners in the Area. The first installment is payable in June and the second installment is payable in September. The Special Tax levied by the Bond Ordinance shall be abated each year to the extent the taxes levied pursuant to the Bond Ordinance exceed the Special Tax Requirement as calculated by the Village.

At the end of each collection year, the Kane County Treasurer applies to the Circuit Court of Kane County, for a judgment for all unpaid taxes. The Circuit Court of Kane County order resulting from that application for judgment provides for a sale of all property with unpaid taxes. A public sale is held, at which time successful bidders pay the unpaid taxes plus penalties. The annual tax sale is usually held the last week of October in Kane County. Unpaid taxes accrue penalties at the rate of 1 1/2% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the purchaser of the property at the tax sale the amount paid at the sale, plus a penalty. If redemption does not occur within two and one half years and certain procedural requirements are met, the purchaser of the property at the tax sale can receive a deed to the property which has been sold for delinquent taxes. Alternatively, a municipality may seek enforcement of unpaid Special Tax through foreclosure proceedings by seeking in court an adjudication of the existence of a lien and a finding of a failure to pay Special Tax when due. Upon making such a finding, a court having jurisdiction would enter a foreclosure decree authorizing the sale of the property subject to the lien of the Special Tax. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - Enforcement of Payment of Special Tax" herein.

### **Special Service Area Rate Method of Apportionment of Special Tax**

The following description of the Special Service Area Number Nine Rate Method of Apportionment of Special Tax prepared by David Taussig & Associates, Inc., Newport Beach, California, is qualified in its entirety by reference to the complete form of the RMA set forth in Appendix A hereto. Capitalized terms used in this section, but not defined, shall have the meaning given to such terms in the RMA.

The RMA sets forth the provisions for apportioning and levying the Special Tax in the Area. The Special Tax will be levied in the Area each Calendar Year from 2015 to 2028 and collected each Calendar Year from 2016 to 2029. The amount of Special Tax levied pursuant to the RMA has been calculated to provide an amount equal to at least 110% of the annual debt service on the Bonds taking into account estimated interest earnings on the Reserve Fund and Administrative Expenses estimated at \$22,656 per year and escalating annually through 2030 at the rate of one and one-half percent.

The Maximum Parcel Special Taxes levied by the Village within the Area in 2014 shall not exceed \$2,671,747.00 (consisting of a maximum parcel special tax of \$2,150.84 for all Single Family Property (\$2,172.82 for Single Family Property as part of the Brittany development), \$1,311.84 for all Duplex Property, and \$1,311.84 for all Townhome Property) and beginning in 2014 shall be increased by 1.75% per year through 2030, provided, however, that in no event shall the Maximum Parcel Special Taxes levied exceed \$3,284,575.00 in 2028, the final year the Maximum Parcel Special Taxes shall be

levied. Subject, however, to the mandatory prepayment provisions set forth in the RMA, the Special Tax Bond Prepayment amount shall not exceed the principal amount of the Bonds plus any Premium, Defeasance and Fees as such terms are defined in the RMA, less the Reserve Fund Credit, plus any delinquent Special Taxes on the Parcel for which the prepayment is being made, including any applicable penalties and related costs. See "THE BONDS -Optional Prepayment of Special Tax" and " - Mandatory Prepayment of Special Tax." To date there have been optional prepayments of the Special Tax for four (4) townhomes.

### Maximum Special Tax for Levy Years 2015-2028

The following table sets forth certain information concerning the Special Tax, including the aggregate Maximum Parcel Special Tax to be levied in calendar years 2015 through 2028 and to be collected in calendar years 2016 through 2029, and the Total Maximum Parcel Special Tax which has been levied pursuant to the Bond Ordinance.

Levy Year <sup>(1)</sup>	Single- Family Property Dwelling Unit	Brittany Property Dwelling Unit	Duplex Property Dwelling Unit	Townhome Property Dwelling Unit	Total SSA No. 9 Maximum Parcel Special Taxes <sup>(2)</sup>
2015	\$2,150.64	\$2,172.82	\$1,311.84	\$1,311.84	\$2,706,584
2016	2,182.90	2,205.41	1,331.52	1,331.52	2,747,184
2017	2,215.64	2,238.49	1,351.49	1,351.49	2,788,387
2018	2,248.87	2,272.07	1,371.76	1,371.76	2,830,208
2019	2,282.60	2,306.15	1,392.34	1,392.34	2,872,669
2020	2,316.84	2,340.74	1,413.23	1,413.23	2,915,757
2021	2,351.59	2,375.85	1,434.43	1,434.43	2,959,492
2022	2,386.86	2,411.49	1,455.95	1,455.95	3,003,883
2023	2,422.66	2,447.66	1,477.79	1,477.79	3,048,948
2024	2,459.00	2,484.37	1,499.96	1,499.96	3,094,679
2025	2,495.89	2,521.64	1,522.46	1,522.46	3,141,094
2026	2,533.33	2,559.46	1,545.30	1,545.30	3,188,214
2027	2,571.33	2,597.85	1,568.48	1,568.48	3,236,038
2028	2,609.90	2,636.82	1,592.01	1,592.01	3,284,575

(1) Taxes to be collected in year after levy year.

(2) Adjusted for optional prepayment of special tax for four (4) townhomes.

Source: Special Tax Consultant Report.

### Administrative Services

[Municap, Inc.] (the "Administrator") will provide administrative services for the Special Service Area for the Village pursuant to an Administrative Services Agreement. The prior administrator, David Taussig & Associates, Inc., prepared the RMA. Under the Administrative Services Agreement, the Administrator will (i) maintain a Parcel database necessary to extend, bill and collect the Special Taxes, (ii) calculate the amount of Special Taxes to be abated for the Area, (iii) prepare an annual report for the Area, (iv) facilitate billing of the Special Taxes, (v) monitor tax receipts and collections, (vi) track Special Taxes prepayment amounts, (vii) field taxpayer inquiries, (viii) monitor sales practices and disclosure materials, (ix) prepare continuing disclosure reports, and (x) calculate any rebate on the Bonds.

## **Estimated Value-to-Lien Ratio of Special Service Area Property**

Based solely upon the County Assessor Valuation information below, the following table sets forth the estimated value-to-lien ratio based on \$17,360,000\* aggregate principal amount of the Bonds:

2013 Assessed Market Value of Special Service Area Property	\$291,214,011
Bonds Outstanding (2014 Bonds)	\$17,360,000*
Value to Lien Ratio	16.78 <sup>*(1)</sup>

- (1) The ratio reflects the value to lien for the Bonds and does not take into account any existing or future overlapping debt issued by the Village or other public entity with the ability to levy ad valorem taxes on the Special Service Area.

The estimated value-to-lien ratio is based on the County Assessor Valuation which may not accurately reflect the "market value" of the property, if determined by a licensed appraiser. No assurance can be given that the foregoing ratio can or will be given that the foregoing ratio can or will be maintained during the period of time the Bonds are outstanding both because property values could drop and because the Village and other public entities over which the Village has no control could issue additional indebtedness secured by a lien on a parity with the lien securing payment of the Special Taxes or payable through the levy or imposition of a tax on a parity with the Special Taxes or payable through the levy or imposition of a tax on a party with the Special Ad Valorem Tax. See the section herein captioned "RISK FACTORS – Valuation of Property."

## **Tax Assessment and Collection Procedures**

Under state law, local assessment officers are responsible for determining the assessed valuation of taxable real property including railroad property not used for transportation purposes. Certain other types of taxable property, including railroad property used for transportation purposes and pollution control equipment, are assessed by the Illinois Department of Revenue (the "Department"). Valuations determined by local assessment officers are subject to appeal and review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair market value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization. Certain statutory exemptions provide for reductions in assessed valuation or for limitations upon increases in assessed valuation to qualifying taxpayers.

Property tax levies of each taxing body, such as the County, are filed in the office of the county clerk of each county in which territory of the taxing body is located. The county clerk computes the rates and amounts of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to the respective parcels of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes in respect to the various parcels therein.

After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes not paid when due are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes constitute a lien against the property subject to the tax.

---

\* Preliminary, subject to change.

## Property Tax Rate within Special Service Area

2013 Full Value	\$291,214,011
2013 Equalized Assessed Value	\$97,071,337

The following table sets forth a statement of general ad valorem taxes, based on current rates, that would be expected to be assessed against Parcels improved with detached Single Family Homes, Duplexes and Townhomes in the Area based on the assessed values for such property set forth below and the most recent tax bill received by an owner of property in the Area.

### Ad Valorem Taxes Village of Gilberts

	Single Family Home	Duplex	Townhome
Market Value .....	\$234,000	\$129,000	\$165,000
Assessed Value .....	\$78,000	\$43,000	\$55,000
Multiplier .....	1	1	1
Average Homeowners Exemption .....	(\$6,000)	(\$6,000)	(\$6,000)
Taxable Valuation .....	\$72,000	\$37,000	\$49,000

  

	Tax Rate (%) Single Family Home <sup>(1)</sup>	Tax Rate (%) Duplex <sup>(1)</sup>	Tax Rate (%) Townhome <sup>(1)</sup>
<u>Taxing Agency</u>			
Kane County .....	\$0.462292	\$0.462292	\$0.462292
Kane County Forest Preserve.....	0.303868	0.303868	0.303868
Rutland Township.....	0.044251	0.044251	0.044251
Rutland Township Road District.....	0.083926	0.083926	0.083926
Gilberts Village.....	0.601560	0.601560	0.601560
School District 300 .....	6.318207	6.318207	6.318207
Elgin College 509 .....	0.570736	0.570736	0.570736
Fox River Valley Public Library.....	0.206080	0.206080	0.206080
Rutland Dundee Fire District.....	0.714787	0.714787	0.714787
Total Tax Rate.....	\$9.305707	\$9.305707	\$9.305707

  

Representative Ad Valorem Tax.....	\$6,700	\$3,443	\$4,560
Maximum Parcel Tax 2015 <sup>(2)</sup> .....	<u>\$2,151</u>	<u>\$1,312</u>	<u>\$1,312</u>
Total Taxes: .....	\$8,851	\$4,755	\$5,872

(1) Tax Rates are for 2013 tax year and assume a parcel improved with a Single Family Home, Duplex or Townhome in the Village of Gilberts, Kane County, Illinois.

(2) The amounts shown represent the Maximum Parcel Special Tax per Parcel, which was determined by the Special Tax Consultant, after estimating Administration Expenses, see "Maximum Special Tax for Levy Years 2015-2028.

### History of Special Tax Payments

The following table sets forth the Special Tax payments made for the past five years.

Collection Year	Debt Service <sup>(1)</sup>	Special Taxes Levied	Special Taxes Paid	% Paid
2010	\$1,386,790.00	\$1,384,976.42	\$1,384,976.42	100.00%
2011	1,411,962.50	1,435,394.98	1,434,700.64	99.95%
2012	1,435,265.00	1,449,416.14	1,449,416.14	100.00%
2013	1,464,033.75	1,483,497.46	1,483,497.46	100.00%
2014	1,488,447.50	1,506,932.66	1,506,932.66	100.00%

(1) Special Taxes levied were higher than debt service on the Prior Bonds due to the fees for the administration of the Area.

## Equalized Assessed Valuation of the Special Service Area

<u>Tax Year</u>	<u>E.A.V.</u>	<u>Growth (%)</u>
2009	\$137,815,152	-
2010	131,882,106	(4.31)
2011	123,711,539	(6.20)
2012	111,273,957	(10.05)
2013	97,071,337	(12.76)

Source: Kane County Clerk's Office.

## DIRECT AND OVERLAPPING DEBT RELATED TO SPECIAL SERVICE AREA NUMBER NINE

Direct Bonded Debt Outstanding Before Refunding	\$	18,100,000
Plus: The Bonds*		17,360,000
Less: The Refunded Bonds		<u>(18,100,000)</u>
Total Direct Bonded Debt Outstanding*	\$	17,360,000

Overlapping Bonded Debt Outstanding:	Outstanding Debt as of March 5, 2015 <sup>(1)</sup>	Estimated Portion Applicable to SSA #9
<u>Taxing Body</u>		<u>Percent</u> <u>Amount</u>
Kane County <sup>(1)</sup>	\$ 0	0.82%      \$ 0
Kane County Forest Preserve	168,865,866	0.82%      1,384,700
Village of Gilberts <sup>(2)</sup>	0	58.47%      0
Dundee School District No. 300	300,707,410	3.69%      11,096,103
Elgin College District No. 509 <sup>(3)</sup>	187,887,832	0.99% <u>1,860,089</u>
Total Overlapping Bonded Debt		14,340,892
Total Direct Bonded Debt*		<u>17,360,000*</u>
Net Direct and Overlapping Bonded Debt*		\$ 31,700,892

2013 Full Valuation	\$291,214,011
2013 Equalized Assessed Valuation	\$97,071,337
Acres in SSA #9	___ (approximate)

(1) Excludes \$49,955,000 in alternate revenue source bonds and debt certificates.

(2) Excludes \$1,854,304 in alternate revenue source bonds and various special service area bonds within the Village.

Source: Kane County Clerk's Office.

		<u>% Full Value</u>
Direct Bonded Debt*	\$17,360,000*	5.96%*
Direct and Overlapping Bonded Debt*	\$31,700,892*	10.88%*

## THE VILLAGE

### General

In 1839, settlers arrived at what is now known as the Village of Gilberts. The Village was platted in 1855, incorporated in 1890 and until the 1960's was predominately a farming community. The Village, a non-home rule community as defined by the Illinois Constitution, is now a diverse residential community covering approximately 10 square miles. The Village is located approximately 45 miles northwest of downtown Chicago, in northern Kane County.

\* Preliminary, subject to change.



## **Village Organization and Administration**

The Village is governed by an elected President and Board of Trustees. The President is the Village's chief executive officer and is elected to a four year term. The Corporate Authorities (the President and Trustees) are elected on a nonpartisan at large basis. Day to day operations of the Village are directed by the Village Administrator. The Village provides a broad range of services including police protection; planning, zoning and building inspection; water operation; and the maintenance of highways, streets and infrastructure.

## **Community Services**

The Village has its own police department with 8 full-time officers and 9 sworn part-time officers. The police department is supplemented by mutual aid agreements with surrounding municipalities.

Fire protection is provided by the Rutland-Dundee Fire Protection Village which currently has 6 full-time paid personnel with an additional 25 paid on call volunteers. The Village currently has 2 fire stations, one of which is located in the Village.

Recreational opportunities are provided by the Dundee and Huntley Park Villages. Library services are provided by Dundee Township.

Hospital Services are provided by Sherman Hospital and St. Joseph Hospital, both in Elgin, approximately 7 and 5 miles, respectively, from the Village.

## **Education**

Education is provided by two separate school Villages. Dundee Community Unit School Village Number 300, which is a unit school Village that serves the southern portion of the Village and Consolidated School Village 158 that, serves the northern portion of the Village. Elgin Community College Village Number 509 is a two-year public institution of higher learning that provides adult educational programs. Other colleges in the area are Judson University, a four-year public institution located by the City of Elgin and Northern Illinois University.

## **Transportation**

Illinois Route 72 is a major east-west roadway through the Village. In addition, Randall Road is a major north-south roadway that connects with I-90. Residents can reach the Loop in about an hour by car.

The Village is served by the Big Timber Station of the Northwestern line of the Union Pacific Railroad which provides commuter service to downtown Chicago.

O'Hare International Airport is located 35 miles southeast of the Village. Midway Airport is located 55 miles southeast of the Village. The Aurora Municipal Airport, established in 1959, is located in Kane County and caters to corporate clientele.

## SOCIOECONOMIC INFORMATION

### Population Trend

	<u>2000</u>	<u>2010</u>
Village of Gilberts	1,279	6,879
Kane County	404,119	515,269
State of Illinois	12,419,293	12,830,632

### Median Home Value

	<u>2000</u>	<u>Est. 2009-2013</u>
Village of Gilberts	\$210,600	\$266,300
Kane County	160,400	223,100
State of Illinois	80,900	182,300

### Median Family Income

	<u>2000</u>	<u>Est. 2009-2013</u>
Village of Gilberts	\$92,433	\$101,196
Kane County	66,558	80,085
State of Illinois	38,664	70,344

Source: U.S. Bureau of the Census and the 2009-2013 American Community Survey 5-Year Estimates.

### Average Annual Unemployment Rates

<u>Year</u>	<u>Kane County</u>	<u>State of Illinois</u>
2008	6.2%	6.4%
2009	10.2	10.0
2010	10.5	10.5
2011	9.8	9.7
2012	8.8	8.9
2013	8.9	9.2
2014*	5.5	5.7

\* Through December, 2014.

Source: Illinois Department of Employment Security.

## Employment

The Elgin area is the employment center of Northern Kane County. Numerous employers are located in surrounding communities of the Village and the Chicago Metropolitan Area. Below are the top ten employers located within the Village.

### Largest Area Employers

<u>Business</u>	<u>Employees</u>
Scurto Cement Construction Ltd.	400
Everest Excavating, Inc.	30
Forming Concepts, Inc.	23
R.M. Sellergren & Assoc., Inc.	20
Abel Plus Services, Inc.	18
Sandman Paving & Seal Coating	15
Swan Contractors & Developers, Inc.	15
Tessendorf Mechanical Services	13
Nolte & Tyson, Inc.	12
Comex Construction	10

Source: 2014 Illinois Manufacturers Directory and the 2015 Illinois Services Directory.

### Village Equalized Assessed Valuation

<u>Year</u>	<u>Valuation</u>	<u>% of Growth</u>
2009	\$219,190,267	6.69
2010	213,166,624	(2.75)
2011	202,646,716	(4.95)
2012	184,683,231	(8.86)
2013	166,029,770	(10.10)

Source: Kane County Clerk's Office.

### Largest Village Taxpayers

<u>Name</u>	<u>2013 E.A.V.</u>	<u>% of Village's 2013 E.A.V.</u>
Majority Investments, LLC	\$632,064	0.38%
Gilberts Development, LLC	453,788	0.27%
T Corporation	460,086	0.27%
Gray Wing, LLC	419,321	0.25%
First American Bank Waitcus JA Trust	402,763	0.24%
Federal National Mortgage Association	345,787	0.21%
Hayden Properties, LLC	373,239	0.22%
Tinks Ink LLC	351,002	0.21%
White Angels, LLC	347,262	0.21%
Resi, LLC	<u>311,415</u>	<u>0.19%</u>
Total	\$4,096,727	2.45%

Source: Kane County Treasurer's Office.

### Tax Extensions and Collections

<u>Levy Year</u>	<u>Extension</u>	<u>Collection</u>	<u>Percent Collected</u>
2009	\$850,207	\$850,207	100.00%
2010	898,320	898,320	100.00%
2011	922,359	922,359	100.00%
2012	966,450	966,450	100.00%
2013	1,010,776	1,010,671	99.99%

Source: Kane County Treasurer's Office.

**Representative Total Tax Rate**  
(per \$100 of Equalized Assessed Valuation)

<u>Entity</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Kane County	\$0.342569	\$0.375618	\$0.399386	\$0.433479	\$0.462299
Kane County Forest Preserve	0.199293	0.218571	0.258846	0.268893	0.301402
Rutland Township	0.037405	0.038587	0.040985	0.044901	0.044251
Rutland Twp. Rd District	0.064386	0.066428	0.070334	0.077043	0.083926
Village of Gilberts	0.408512	0.427512	0.459820	0.521886	0.601560
School District 300	5.367432	5.653068	5.706574	5.984674	6.318207
Elgin College 509	0.441756	0.478240	0.503566	0.576301	0.570736
Fox River Valley Public Library	0.000000	0.000000	0.000000	0.192474	0.206080
Rutland Dundee Fire District	<u>0.520820</u>	<u>0.589092</u>	<u>0.579281</u>	<u>0.639238</u>	<u>0.714787</u>
<b>TOTALS</b>	\$7.382173	\$7.847116	\$8.018792	\$8.738889	\$9.305707

Source: Kane County Clerk's Office.

**City Tax Rate Trend**

(per \$100 of Equalized Assessed Valuation)

<u>Fund</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Corporate	\$0.148479	\$0.155875	\$0.165534	\$0.193490	\$0.220701
Police Protection	0.181282	0.199371	0.208943	0.231423	0.265334
Police Pension	0.042355	0.034952	0.045990	0.053619	0.067823
Audit	0.001959	0.002009	0.002300	0.002710	0.002982
Liability Insurance	0.011479	0.011768	0.012351	0.013548	0.014907
Social Security	<u>0.022958</u>	<u>0.023537</u>	<u>0.024702</u>	<u>0.027096</u>	<u>0.029813</u>
<b>TOTALS</b>	\$0.408512	\$0.427512	\$0.459820	\$0.521886	\$0.601560

Source: Kane County Clerk's Office.

**RISK FACTORS**

Investment in the Bonds involves risks which may not be appropriate for certain investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth in this Preliminary Official Statement, in evaluating the Bonds. This discussion does not purport to be comprehensive or definitive. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the Area to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the Area to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the Area.

**Limited Source of Funds**

The Bonds, together with the interest thereon, are limited obligations of the Village, payable solely from the Special Tax and the amounts on deposit in certain of the funds and accounts established and maintained under the Trust Indenture, all as more fully set forth therein. The Bonds are not general obligations of the Village and do not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation. No holder of the Bonds shall have the right to compel the exercise of any taxing power of the Village for payment of principal thereof or interest or premium, if any, thereon.

(other than the levy of the Special Taxes as provided in the Bond Ordinance and the Trust Indenture). See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - General" herein.

### **Information Not Verified**

Information concerning the Area and the development has been obtained from the Village and other sources believed by the Underwriter to be reliable, but much of that information involves predictions of future events, such as the ability of homeowners and other property owners to pay their share of the Special Taxes; such information is, by its nature, not subject to verification.

### **Local, State and Federal Land Use Regulations**

There can be no assurance that land development operations within the Area will not be adversely affected by future government policies, including, but not limited to, governmental policies which directly or indirectly restrict or control development. During the past several years, state and federal regulatory agencies have significantly expanded their involvement in local land use matters through increased regulatory enforcement of various environmental laws, including the Endangered Species Act, the Clean Water Act and the Clean Air Act, among others. Such regulations can substantially impair the rate and amount of development without requiring just compensation unless the effect of the regulation is to deny all economic use of the affected property. Bondowners should assume that any event that significantly impairs the ability to develop land in the Area could cause the land values within the Area to decrease substantially and could affect the willingness and ability of the owners of land to pay the Special Taxes when due or to proceed with development of land in the Area.

### **Overlapping Indebtedness**

The Special Taxes and any penalties assessed for failure to pay such taxes will constitute a lien against the parcels of land on which they will be levied until such taxes are paid. Such lien will be on a parity with all special taxes and special assessments which may be levied by other agencies and is co equal to and independent of the lien for general ad valorem real property taxes regardless of when they are imposed upon the same property. The Village, however, has no control over the ability of other entities and districts to issue indebtedness secured by additional taxes or assessments payable from all or a portion of the property within the Area.

The ability of an owner of land within the Area to pay the Special Taxes could be adversely affected if additional debt is issued or additional taxes or assessments are levied, which are payable by the owners of land within the Area. The imposition of additional liens, whether public or private, may reduce the ability or willingness of the landowners to pay the Special Taxes and increase the possibility that foreclosure proceeds will not be adequate to pay any delinquent Special Taxes.

### **Tax Delinquencies**

In order to pay debt service on the Bonds, it is necessary that the Special Taxes within the Area be paid in a timely manner. Under provisions of the Special Service Area Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, are customarily billed to the property owners within the Area on the regular general ad valorem property tax bills sent to owners of such properties or on a special tax bill delivered at the same time as the regular ad valorem property tax bills. Such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do general ad valorem property tax installments. The unwillingness or inability of a property owner to pay ad valorem property tax bills as evidenced by general ad valorem tax delinquencies may also indicate an unwillingness or inability to make general ad valorem tax payments and Special Taxes installment payments in the future. If the property owners or future owners fail to pay the Special Taxes when due, there could be significant special tax delinquencies.

Also, the Kane County Collector may not be willing to bill the property owners in the Area the Special Tax on their regular ad valorem property tax bills or if the Kane County Collector is willing to bill the property owners in the Area the Special Tax on their regular ad valorem property bills today, the Kane County Collector may not be willing to do so in the future. In that event, the responsibility to bill and collect Special Tax would become the Village's responsibility under the RMA. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS - Enforcement of Payment of Special Tax" for a discussion of the provisions which apply, and procedures which the Village is obligated to follow under the Trust Indenture, in the event of delinquencies in the payment of Special Tax. See "RISK FACTORS - Potential Delay and Limitations in Foreclosure Proceedings" and "Bankruptcy" below, for a discussion of limitations on the Village's ability to foreclose the lien of delinquent unpaid Special Tax in certain circumstances.

### **Potential Delay and Limitations in Foreclosure Proceedings**

The payment of Special Taxes and the ability of the Village to foreclose the lien of delinquent unpaid Special Taxes may be limited by bankruptcy, insolvency and other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. See "RISK FACTORS-Bankruptcy." In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

The ability of the Village to foreclose the lien of a delinquent unpaid Special Taxes payment may be limited with regard to properties in which the Federal Deposit Insurance Corporation ("FDIC") or any successor to the FDIC may acquire an interest. The FDIC currently does not have an interest in the land within the Area. However, if a lender takes a security interest in property in the Area and becomes insolvent, such a lender could fall under the jurisdiction of the FDIC. The FDIC could assert federal preemptive power to challenge any prior taxes, special taxes and assessments where it is in its interest to do so, including the requirement that local agencies obtain the consent of the FDIC in order to foreclose the lien of delinquent unpaid special taxes.

If the Village is required to obtain the consent of the FDIC to foreclose on property located in the Area, such consent could be denied and the Village might be unable to pursue foreclosure proceedings. Additionally, obtaining such consent could delay the foreclosure proceedings. Any delay in foreclosure proceedings or the inability of the Village to foreclose on property in the Area in which the FDIC has an interest could result in a delay or default in payment of the Bonds.

In addition, potential investors should be aware that judicial foreclosure proceedings are not summary remedies and can be subject to significant procedural and other delays caused by crowded court calendars and other factors beyond the control of the Area or the Village. In addition, the Illinois Constitution prescribes certain minimum redemption periods, which may be as long as three years, in the event of foreclosure. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS-Enforcement of Payment of Special Tax." Under current conditions, it is estimated that a judicial foreclosure of the lien of the Special Tax could take several years from initiation of litigation to the lien foreclosure sale.

Delays and uncertainties in the Special Taxes lien foreclosure process create significant risks for Bondowners. High rates of Special Taxes payment delinquencies, which continue during the pendency of protracted Special Tax lien foreclosure proceedings, could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of Parcels in the Area upon foreclosure. In that event, there could be a default in payments of the principal of, and interest on, the Bonds.

### **Bankruptcy**

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal

instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although a bankruptcy proceeding would not cause the Special Tax to become extinguished, the amount and priority of any Special Taxes lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by a bankruptcy court having jurisdiction. In addition, bankruptcy of a property owner could result in a delay in commencement and completion of foreclosure proceedings. The filing of bankruptcy proceedings stays all legal proceedings of a debtor including any tax sale during the pendency of such proceedings. Such stay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the Bonds and the possibility of delinquent tax Special Tax installments not being paid in full.

### **Maximum Special Taxes**

Pursuant to the Bond Ordinance, the Village has levied the Special Taxes in the maximum amounts permitted by the RMA. However, there is no assurance that the maximum amounts will at all times be sufficient to pay the amounts required to be paid by the Trust Indenture. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – The Special Tax" and "THE SPECIAL SERVICE AREA AND SPECIAL TAX - Special Service Area Rate Method of Apportionment of Special Tax."

### **[Prepayment of Special Taxes**

The prepayment amount applicable to each dwelling unit was established based upon the principal amount of the Series 2001 Bonds and the corresponding interest rate. After the refunding, the amount of principal outstanding will exceed the principal amount of the refunded Prior Bonds. However, annual debt service on the Bonds will be lower than the annual debt service on the refunded Prior Bonds. However, if a significant number of property owners elect to prepay their Special Tax sooner than projected (there have been no prepayments in the Area to date), there would be a negative impact on debt service coverage.]

### **Disclosure to Future Purchasers**

The Village recorded the Establishing Ordinance for the property included in the Area in the Office of the Recorder of Deeds of Kane County in 2001. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of single family homes, townhomes or duplex units or the lending of money thereon. Failure to disclose the existence of the Special Tax may affect the willingness and ability of future owners of land within the Area to pay the Special Tax when due.

### **Limited Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. In addition, prices of issues for which a market is being made will depend on then prevailing circumstances. Such prices could be substantially different from the original purchase price.

## **Secondary Market and Prices**

The Underwriter presently does not intend to engage in secondary market trading of the Bonds. The Underwriter is not obligated to engage in secondary trading or to repurchase any of the Bonds at the request of the Owners thereof. No assurance can be given that a secondary market for any of the Bonds will be available and no assurance can be given that the initial offering prices for the Bonds will continue for any period of time.

## **Loss of Tax Exemption**

Interest on the Bonds could become includible in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds as a result of a failure of the Village to comply with certain provisions of the Code. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption or mandatory redemption provisions of the Trust Indenture.

## **Risk of Legislative and Judicial Changes**

Future legislation, regulations, governmental or judicial interpretation of regulations or legislation or practices and procedures related to property tax assessment, levy, collections or distribution could have a material effect on the calculation or availability of the Special Taxes. There is no assurance that legislation will not be considered or enacted in the future, and unless provision is made in such legislation for special service areas generally in Illinois, the generation of the Special Taxes could be materially adversely affected.

## **Special Tax Allocation**

The Parcels in the Area may be subdivided into smaller lots. Each lot will be subject to its applicable Maximum Parcel Special Taxes only, and in the event an owner of a lot fails to pay its Special Taxes, the owners of the other lots will have no obligation to pay the deficiency. There is no assurance that all owners of the real property within the Special Service Area will pay their Special Taxes, or that the value of each owner's real property subject to the Special Taxes will be sufficient to pay such property's Maximum Parcel Special Taxes.

## **BOND INSURANCE**

TBD.

## **RATING**

TBD.

## **UNDERWRITING**

Bernardi Securities, Inc. (the "Underwriter") has agreed to purchase the \$17,360,000\* Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project), from the Village at a price of \_\_\_\_\_% of the principal amount thereof plus accrued interest to the date of delivery. The Underwriter intends to reoffer the Bonds at a price of \_\_\_\_\_% of the principal amount of the Bonds.

---

\* Preliminary, subject to change.



The Underwriter must purchase and pay for all of the Bonds if any are purchased. The Bonds are being offered for sale at initial prices stated on the inside cover of this Official Statement. After the initial offer, the offering price and other selling terms may be changed. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers.

The Underwriter may engage in secondary market trading in the Bonds subject to applicable securities laws. However, the Underwriter is not obligated to repurchase any of the Bonds at the request of any owner thereof.

## **LEGAL OPINIONS**

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Foley & Lardner LLP, Chicago, Illinois, Bond Counsel. The proposed form of the opinion of Bond Counsel is included herein as APPENDIX D. Ice Miller LLP, Chicago, Illinois is acting as Disclosure Counsel to the Village. Certain legal matters will be passed upon for the Underwriter by its counsel, Nixon Peabody LLP, Chicago, Illinois; and for the Village, by its counsel, Ancel, Glink, Diamond, Bush, DiCianni & Krafthefer, P.C., Chicago, Illinois.

## **TAX MATTERS**

In the opinion of Foley & Lardner LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under the Code and is not a specific preference item for purposes of determining an individual's or a corporation's federal alternative minimum taxable income. However, Bond Counsel observes that interest on the Bonds is included in adjusted current earnings in calculating federal corporate alternative minimum taxable income. Interest on the Bonds is not exempt from State of Illinois income taxes.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax exempt interest received, and a purchaser's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such purchaser. Thus, the amortization of Bond premium may have an effect on a bondholder's recognition of gain or loss when a Premium Bond is sold or paid off. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Bondholder, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bond on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bond to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequence of ownership of Bonds with original

issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bond was sold to the public.

Section 103 of the Code imposes various restrictions, conditions and requirements relating to exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Village has covenanted to comply with certain restrictions designed to insure that interest on the Bonds will not be included in a bondholder's gross income for federal income tax purposes. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the original issue date of the Bonds. The opinion of Foley & Lardner LLP assumes compliance with these covenants. Foley & Lardner LLP has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax-exempt status of interest on, the Bonds. Further, Foley & Lardner LLP does not give assurance that pending or further legislation or amendments to the Code, if enacted into law, will not adversely affect the value of or the tax exempt status of interest on the Bonds. Beneficial Owners are encouraged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Certain requirements and procedures contained or referred to in the Indenture, the Bond Ordinance, the Tax Agreement and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances subject to the terms and conditions set forth in such documents. Foley & Lardner LLP expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Foley & Lardner LLP.

Although Foley & Lardner LLP is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Foley & Lardner LLP expresses no opinion regarding any such other tax consequences.

No assurance can be given that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Bonds to be subject, directly or indirectly, to federal or state income taxation, or otherwise prevent the Bondholders from realizing the full current benefit of the tax status of the interest thereon. Further, no assurance can be given that any such future legislation, or any actions of the IRS, including, but not limited to, selection of the Bonds for audit examination, or the course or result of any examination of the Bonds, or other bonds which present similar tax issues, will not affect the market price for the Bonds.

## **CONTINUING DISCLOSURE**

The Village will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Commission under the Exchange Act. No person, other than the Village, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth below in "THE UNDERTAKING." A failure by the Village to comply with the Undertaking will not constitute a default under the Bond Ordinance or the Trust Indenture and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The Village must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before

recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Pursuant to the issuance of the Village's General Obligation Bonds (Alternate Revenue Service), Series 2011 (the "2011 Bonds"), the Village entered into continuing disclosure undertaking (the "2011 Undertaking") to file notice of certain material events. At the time of issuance of the 2011 Bonds, the Village was rated "A+" by S&P. On December 23, 2013, S&P upgraded the credit rating of the Village to "AA". Notice of the Village's rating change has since been disclosed by the Village, but not in a timely manner as was agreed upon in 2011 Undertaking. The rating change and the Village's subsequent disclosure of the event, however untimely, do not constitute a default under the bond ordinance for the 2011 Bonds. Pursuant to issuing its 2011 Bonds and entering into the 2011 Undertaking, the Village also covenanted to file its audited financial statements and annual financial information, within 210 days after the last day of the Village's fiscal year (April 30). The Village has filed its audited financial statements and annual financial information for the fiscal year of 2011 and annual financial information for the fiscal year of 2012 with the MSRB on EMMA, however not in a timely manner. The Village's failure to comply under the 2011 Undertaking does not constitute a default under the bond ordinance for the 2011 Bonds. The Village has put procedures in place to ensure timely compliance with all of its continuing disclosure undertakings.

## **THE UNDERTAKING**

The following is a brief summary of certain provisions of the Undertaking of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the Village.

### **Annual Financial Information Disclosure**

The Village covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. The Village is required to deliver such information within 240 days after the last day of the Village's fiscal year. If Audited Financial Statements are not available when the Financial Information is filed, the Village will file unaudited financial statements. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

*"Annual Financial Information"* means information of the type contained in the following headings, subheadings and exhibits of the Final Official Statement:

- EXPECTED SPECIAL TAX AND DEBT SERVICE COVERAGE
- SECURITY AND SOURCE OF PAYMENT OF THE BONDS – Tax Sales and Foreclosures
- THE SPECIAL SERVICE AREA AND SPECIAL TAX – History of Special Tax Payments
- THE SPECIAL SERVICE AREA AND SPECIAL TAX – Equalized Assessed Valuation of the Special Service Area
- THE SPECIAL SERVICE AREA AND SPECIAL TAX – Estimated Value-to-Lien Ratio of Special Service Area Property
- THE SPECIAL SERVICE AREA AND SPECIAL TAX – Property Tax Rate within Special Service Area
- DIRECT AND OVERLAPPING DEBT RELATED TO SPECIAL SERVICE AREA NUMBER NINE – (Excluding Overlapping Debt Information)

*"Audited Financial Statements"* means the financial statements of the Village prepared in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

### **Reportable Events Disclosure**

The Village covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The *"Events"* are:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
- Modifications to the rights of security holders, if material
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event of the Village<sup>\*</sup>
- The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- Appointment of a successor or additional trustee or the change of name of a trustee, if material

### **Consequences of Failure of the Village to Provide Information**

The Village shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the Village to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order to cause the Village to comply with its obligations under the Undertaking. A default under the Undertaking shall not

---

<sup>\*</sup> This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or Federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.

be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the Village to comply with the Undertaking shall be an action to compel performance.

### **Amendment; Waiver**

Notwithstanding any other provision of the Undertaking, the Village by ordinance or resolution authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or

(ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

### **Termination of Undertaking**

The Undertaking shall be terminated if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance or no Bonds are outstanding under the Trust Indenture including the defeasance of the Bonds. The Village shall give notice to the MSRB in a timely manner if this paragraph is applicable.

### **Additional Information**

Nothing in the Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the Village chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the Village shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

### **Dissemination of Information; Dissemination Agent**

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its Electronic Municipal Market Access (EMMA) system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

## **NO LITIGATION**

At the time of delivery of and payment for the Bonds, the Village will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending with respect to which the Village has been served with process or is otherwise aware, or, to the knowledge of the officer of the Village executing such certificate, threatened against the Village affecting the existence of the Village, the Area or the titles of its officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Ordinance and/or the Trust Indenture, or the collection or application of the Special Tax, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Ordinance, the Trust Indenture, or any action of the Village contemplated by any of the said documents, or the collection or application of the Special Tax, or in any way contesting the completeness or accuracy of the Bond Ordinance, the Trust Indenture or any amendments or supplements hereto, or contesting the powers of the Village contemplated by any of said documents, nor, to the knowledge of the officer of the Village executing such certificate, is there any basis therefor.

## **MISCELLANEOUS**

The references, excerpts, and summaries of documents and statutes contained in this Preliminary Official Statement do not purport to be complete statements of the provisions of such documents and statutes, and reference is made to all such documents and statutes for full and complete statements of their terms and provisions.

The estimates, assumptions, statistical and financial information, and all other information contained in this Preliminary Official Statement have been compiled from official and other sources believed to be reliable; however, none of such estimates, assumptions, or information is guaranteed by the Village, the Consultant, or the Underwriter as to completeness or accuracy.

Any statement made in this Preliminary Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, is set forth as such and not as a representation of fact; no representation is made that any of the estimates contained herein will be realized. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Preliminary Official Statement nor any offer or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village or the Area since the date hereof.

## **AUTHORIZATION**

The Village has authorized the execution and distribution of this Preliminary Official Statement.

THE VILLAGE OF GILBERTS  
KANE COUNTY, ILLINOIS

By: /s/  
Its: President

APPENDIX A  
RATE METHOD OF APPORTIONMENT OF SPECIAL TAX

APPENDIX B  
AREA MAP



APPENDIX C  
TRUST INDENTURE

APPENDIX D  
FORM OF BOND COUNSEL OPINION

## APPENDIX E

[SPECIMEN MUNICIPAL BOND INSURANCE POLICY]

APPENDIX F  
AREA DESCRIPTION

**EXHIBIT E**

**Administrative Services Agreement**

## **AGREEMENT FOR ADMINISTRATIVE SERVICES**

THIS AGREEMENT is made as of the last date shown below by and between MuniCap, Inc. (the “Administrator”), and the Village of Gilberts, Illinois (the “Village”).

WHEREAS, the Village anticipates the issuance of Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project) (the “Bonds”) for the Special Service Area Number Nine (the “Special Service Area”) created by the Village; and

WHEREAS, upon issuance and sale of the Bonds, the Village will require specialized services related to the administration of the Special Service Area, as more fully set forth in this Agreement; and

WHEREAS, Administrator has expertise to provide those specialized services; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and for good and valuable consideration, the Administrator and the Village agree as follows:

1. Following signatures by both parties, this Agreement shall become effective on the date of issuance of the Bonds. Capitalized terms not otherwise defined herein shall have the meaning given thereto in the Indenture or other Special Service Area related documents. In the event that the Bonds are not issued, neither party hereto shall have any obligation under this Agreement.

2. In regards to the work and services to be performed,

A. Administrator shall provide financial and administrative services to the Village related to the administration of the Special Service Area as described in Exhibit A, “Administrator’s Scope of Services” which is attached and incorporated by reference.

B. Administrator shall supply all tools and means necessary to perform those services and produce those work products described in Exhibit A.

C. As part of the work and services to be performed, Administrator shall furnish intermediate reports to the Village from time to time, when requested, in such form and number as may be required by the Village, and shall make such final reports as may be required by the Village concerning the work and services performed.

D. Should any errors caused by Administrator be found in any services or work products, Administrator will correct those errors, and if the errors are in final services or products, make such corrections at no additional charge, by revising the services and work products as necessary to eliminate the errors.

E. The work and services shall be performed personally by Administrator, and no other person or corporation shall be engaged for the work or services by Administrator, except upon the written approval of the Village, provided, however, that this provision shall not

apply to arbitrage rebate calculations, secretarial, clerical, and similar incidental services needed by Administrator.

3. Administrator's compensation for these services shall be as provided for in Exhibit B attached and incorporated by reference.

4. The Village shall provide access to all documents reasonably necessary to the performance of Administrator's duties under this Agreement. All such documents shall remain the property of the Village. Except as may be necessary for performance of this Agreement, and to the extent not generally known as available to the public, the Administrator shall not use or disclose information concerning the Village without prior written consent of the Village.

5. Administrator may not disclose information relating to the work and services performed under this Agreement to any person not entitled to receive it. Notwithstanding the foregoing, Village shall have full access to all information relating to work and services performed by Administrator under this Agreement.

6. In performance of work and services under this Agreement, Administrator shall act solely as an independent contractor, and nothing contained or implied in this Agreement shall at any time be construed as to create the relationship of employer and employee, partnership, principal and agent, or joint venturers as between the Village and Administrator.

7. This Agreement shall terminate on repayment of the Bonds or as otherwise provided herein. This Agreement may be terminated with or without cause effective on 30 days written notice. Administrator shall be compensated for services rendered up through the effective date of the termination and payment shall be rendered on a pro rata monthly basis based upon the annual payment due under Exhibit B.

8. Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail and shall be effective upon confirmation of receipt. Mailed notices shall be addressed to the parties at the addresses appearing below, or such other address as given by written notice from one party to the other.

To Administrator:

Keenan Rice  
MuniCap, Inc.  
8965 Guilford Road, Suite 210  
Columbia, MD 21046

To Village:

Village of Gilberts  
87 Galligan Road  
Gilberts, Illinois 60136  
Attn: Rick Zirk

9. This Agreement, including the Exhibits, supersedes any and all agreements, either oral or written, between the parties, and contains all of the covenants and agreements between the parties with respect to the rendering of such services. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied in this Agreement, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement (including any modification to an Exhibit) will be effective if it is in writing and signed by the parties to this Agreement.

10. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of that or any other provision of this Agreement.

11. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way. Exclusive venue shall lie in Kane County, Illinois.

12. The law of the State of Illinois governs the interpretation of this Agreement and its attachments. Venue for any litigation regarding this Agreement or its attachments must be filed in the state Special Service Area or federal Special Service Area courts located in Kane County, Illinois.

Executed by the Administrator this \_\_\_\_\_ day of \_\_\_\_\_, 2015;

**MuniCap, Inc.**

BY: \_\_\_\_\_

Keenan S. Rice  
President

Executed by the Village this \_\_\_\_\_ day of \_\_\_\_\_, 2015;

**Village of Gilberts**

BY: \_\_\_\_\_

Rick Zirk  
Village President



## **Exhibit A**

### ***Administrator's Scope of Services***

Administrator shall provide services to the Village for the Special Service Area Number Nine (the "Special Service Area") in accordance with this scope of services. There are seven sections to this scope of services relating to seven general types of administrative services provided. These seven sections are as follows: (i) administrative support services related to the special tax, (ii) delinquency management, (iii) prepayment of special taxes and bond call calculations, (iv) arbitrage rebate services (v) continuing disclosure services, (vi) IRS reporting, and (vii) accounting services. These services are typically provided by Administrator on similar financings, but all services are provided on an as requested basis.

#### **I. ADMINISTRATIVE SUPPORT SERVICES RELATED TO THE SPECIAL TAX**

Administrative and management support services are those services associated with the annual determination of the special tax to be collected from the property subject thereto, updating the special tax roll, management of bond funds and accounts, and providing public information.

##### **A. Calculate the Annual Special Tax**

This task entails determining the annual special tax to be collected from each parcel and includes the following sub-tasks:

###### **1. Background Research**

This task involves gathering and organizing the information required to form a database necessary to apportion and levy the special tax pursuant to the Rate and Method of Apportionment of Special Tax. This includes but is not limited to review of Kane County worksheets to compile a list of parcel identification numbers applicable for the coming fiscal year and assigning each parcel to the appropriate property use classification as required by the Rate and Method. These tasks included but are not limited to the following:

- a. Subdivision Research:** Identify parcel subdivisions and any other information relevant to collection of the special taxes.
- b. Assessor's Parcel Research:** Upon publication of property tax roll, review assessor parcel maps to compile a list of the assessor's parcels that will be valid for the collection of the Special Tax and determine the assessed value of each parcel.
- c. Ownership/Exempt Property Research:** Research changes in ownership, dedication, and offers of dedication of property to public agencies and other exempt uses. Identify date property conveyed or offered to exempt entities.

- d. **Database Management:** Prepare database to include all relevant property characteristics for the parcels in the Special Service Area.

## 2. Calculate the Annual Special Tax Levy

This task involves calculating the amount of the special tax levy for the Special Service Area and includes the following sub-tasks:

- a. **Preparation of Budget:** Prepare a budget for the Special Service Area for the subsequent fiscal year.
- b. **Calculate Other Funds Available:** Prepare year-end reconciliation to determine surplus special taxes, interest earnings, and other credits which may be applied to reduce the annual debt service requirement, including accrued interest on the prepayment of special taxes.
- c. **Calculate the Annual Special Tax:** Determine the special tax rate and the special tax for each parcel. These special taxes (if collected) should provide sufficient revenues to meet the annual debt service requirement (including administrative expenses).

## 3. Preparation of Report

This task involves preparing a report to explain the research, methodology and assumptions utilized in the preparation of the budget, the calculation of the annual special tax rates, and the amount of special taxes to be collected. The special tax roll, amended as appropriate, shall be included with the report and the amendments explained therein.

## 4. Support Services Related to Billing of Annual Installments

- a. **Provide Findings to the Village:** The results of the research and the calculation of the annual special taxes prepared by the Administrator will be provided to the Village for its approval.
- b. **Provide Tax Roll to County:** The Administrator shall assist the Village with its required notification to the County of the amount of the special taxes for each parcel to be collected each year.
- c. **Supplemental Billing:** The Administrator shall assist the County or Village with any supplemental billing that shall be necessary.

## B. Administration of Bond Funds

This task involves the review and reconciliation of the account statements for funds and accounts maintained by the Trustee. The accounts and transactions are checked for accuracy and consistency with the Indenture.

### **C. Public Information**

This task involves responding to telephone calls from property owners and other interested parties who have questions regarding the special taxes. These calls may be related to a tax bill or an inquiry related to the purchase or sale of property subject to the special taxes. The Administrator shall provide a toll-free phone number for property owners to call with questions. Additionally, this number may be given to people who call the Village or County to obtain information about the special taxes. Additionally this task will involve monitoring sales practices and disclosure materials.

### **E. Administrative Review**

At the request of the Village, the Administrator shall review any notice from a property owner alleging an error in the calculation of any matters related to the Special Tax Roll, and if necessary, meet with the property owner, consider oral and written evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred, and take other corrective action as required to correct the error.

## **II. DELINQUENCY MANAGEMENT**

These services are provided only if special taxes are levied and there are delinquencies in the payment of special taxes.

### **A. Delinquent Special Tax Report**

After the end of the collection period, the Administrator will prepare a report which lists each parcel delinquent in the payment of the Special Tax and the corresponding amount of delinquency, plus penalties.

### **B. Delinquency Follow-Up**

The Administrator will keep Trustee and Village informed of special circumstances that come to the attention of the Administrator, such as bankruptcies and foreclosures.

## **III. PREPAYMENT OF SPECIAL TAXES AND BOND CALL CALCULATIONS**

### **A. Coordination of Special Tax Prepayments**

Administrator shall coordinate the prepayment of special taxes with the Village, Trustee, property owners, and title companies. This coordination shall include calculation of the amount due to prepay the special tax and transmittal of a letter with the prepayment amount, prepayment instructions, and the recordable form of the special tax lien release to the title company or other such steps as required by the Indenture and related documents.

## **B. Prepare Bond Call Analyses**

This task involves the analyses of early bond call pursuant to the provisions of the Indenture for the prepayment of special taxes. Administrator shall coordinate with the trustee to ensure Bonds are called pursuant to the terms of the Indenture.

## **IV. ARBITRAGE REBATE SERVICES**

Arbitrage rebate services encompass those activities associated with computing the rebate liability (if any) related to the Series 2015 Bonds and future bonds, if any. The computations will be prepared as described in Section 148(f)(2) of the Internal Revenue Code of 1986, as amended, Administrator shall prepare or coordinate the arbitrage rebate requirements of the bonds, including the following:

### **A. Background Research**

This task involves the review of documents, including the Indenture, non-arbitrage certificate, IRS form 8038-G, trustee fund/account statements, and prior rebate reports, and consultations with bond counsel or special counsel, as needed. The funds subject to arbitrage rebate and any available exceptions will be identified. The flow of funds in the accounts with the Trustee will be identified as necessary to perform the arbitrage rebate calculations.

### **B. Calculation of Bond Yield**

This task involves preparation of a debt service table and an independent calculation of the yield on each issue. The resulting yields will be verified with those stated on the non-arbitrage certificates.

### **C. Calculation of Rebate Liability**

This task involves computation of the allowable arbitrage earnings and comparison of the results to the actual investment earnings for each issue.

### **D. Preparation of Rebate Report**

This task involves the preparation of a written report containing the findings of the financial analysis and an explanation of the underlying methodology followed to compute the rebate liability for each issue. In addition to identifying any arbitrage liability, each report contains a separate investment yield comparison and analysis for each fund. Standard features also include the following items as defined by U.S. Treasury Regulations:

- Explanation of calculation methodology
- Overview of applicable rebate requirements and treasury regulations
- Summary of all pertinent dates
- Identification of major assumptions
- Review of sources and uses of funds
- Bond yield calculation
- Investment yield by fund with comparison to bond yield

Rebate liability by fund  
Aggregate liability for the issue

**E. Rebate Liability Discharge**

This task involves coordination of the filing of IRS Form 8038-T and providing instructions for installment payments as necessary.

**F. Assistance with IRS Inquires**

This task involves providing assistance in the event of an IRS inquiry related to any Special Service Area bond issue and includes providing supporting documentation used to prepare the calculations and explanation of the calculations in a meeting with the IRS, if necessary. These services are provided on a time and material basis and are not included in the base fee.

**V. CONTINUING DISCLOSURE SERVICES**

**Continuing Disclosure/Annual Report Preparation**

**1. Annual Report Preparation**

The Administrator will prepare an annual report as required by the continuing disclosure agreement.

**2. Significant Event Notices**

Upon notification by any responsible party or if Administrator independently becomes aware of such knowledge, Administrator will prepare notices of material events covering the events enumerated in the disclosure agreements.

**3. Dissemination**

The Administrator will disseminate the annual reports and notices of significant events to the Municipal Securities Rulemaking Board (MSRB) in a timely manner as set forth in the continuing disclosure agreement. The Administrator shall also disseminate information to bond holders requesting information as provided for in the continuing disclosure agreements.

## **VI. IRS REPORTING**

### **A. Compliance Monitoring**

This task involves maintenance of an audit file and preparation of a report confirming compliance with applicable requirements of the tax certificate for the bonds. This task includes the following sub-tasks:

#### **1. Ownership and Transfer of Public Improvements**

Confirm that all public improvements have been transferred to a public entity, once appropriate, as required by the applicable agreement with the developer.

#### **2. No Post-Closing Agreements**

Confirm with any relevant parties to confirm that there are no post-closing agreements that give any private business user a special legal entitlement to any public improvement, except for those agreements reviewed by bond counsel.

#### **3. No Disposition of the Public Improvements**

Confirm that there have been no sales, leases, or other dispositions of any public improvement, except for dispositions reviewed by bond counsel).

#### **4. No Modifications**

Confirm that there have been no modifications to any public improvement, except for those which are in compliance with agreement with the developer providing for the construction of the public improvements or as otherwise approved by bond counsel.

#### **5. Maintenance of Audit File**

Maintain an audit file with documentation to verify information related to compliance with the tax certificate.

#### **6. Preparation of Report**

Prepare a report to the Village each year explaining the efforts of Administrator to verify confirmation of compliance with the tax certificate, documentation in the audit file, and identifying any missing information or requirements of the tax certificate not confirmed.

### **B. Tax Reporting**

Administrator will request and compile all information related to IRS-required tax reporting (i.e. W9's) from all vendors and report this information annually to all vendors and the IRS in accordance with IRS regulations.

## **VII. ACCOUNTING SERVICES**

This task includes the following sub-tasks:

### **A. Review and Track Invoices**

Administrator shall enter any invoices received by the Special Service Area into the accounts receivable journal, check the invoice against approved contracts or purchase orders, prepare a certificate for the payment of the invoice by the Trustee, and forward the invoice with the Administrator's and Trustee's certificate to an officer of the Special Service Area authorized to approve the disbursement of funds by the Special Service Area.

### **B. Maintain General Ledger**

Administrator shall enter transactions in a general ledger for the Special Service Area to maintain accounting records to be used for the preparation of financial statements.

### **C. Financial Statement Preparation**

Administrator shall record financial transactions of the Special Service Area in the appropriate ledgers of the Special Service Area and prepare annual financial statements for the Special Service Area.

### **D. Annual Audit Coordination**

The Administrator shall coordinate with the auditor the preparation of an audit of the financial records of the Special Service Area. Administrator shall incorporate internal controls as recommended by the auditor.

## **Exhibit B**

### ***Administration Services Fee Schedule***

#### **I. ADMINISTRATIVE SERVICES RELATED TO THE SPECIAL TAX**

Administrative services, as set forth in Section I through Section III and Section V of Exhibit “A”, shall be provided on a time and material basis with total annual estimated cost not to exceed \$12,000 (represents year one cost- to be increased annually by 1.5% percent), plus a one-time initial set up cost of \$3,000. This fee does not include services related to arbitrage rebate, which will be provided additionally as described below. This fee also does not include more than one trip to Illinois, should it be required, or fees related to prepayment of special taxes and tax sales, which shall be billed as provided below. Fees shall be billed based on the number of hours worked at Administrator’s prevailing hourly rates, which are currently shown in the fee schedule below for “Additional Work”, as agreed by Village and Administrator.

#### **II. DELINQUENCY MANAGEMENT**

Services related to delinquency management, as set forth in Section II of Exhibit “A” are included in the total annual estimates described in Section I of this Exhibit “B”, except for efforts related to a tax sale process, in which case costs would be charged to the delinquent property.

#### **III. PREPAYMENTS OF SPECIAL TAXES AND BOND CALL CALCULATIONS**

Services related to prepayment of special taxes to provide prepayment letters of instruction and lien releases are billed directly to the party requesting the prepayment and paid from prepayment proceeds.

Services related to analyses and coordination with the trustee of early bond call/redemptions pursuant to the provisions of the Indenture are included in the total annual estimates described in Section I of this Exhibit “B”.

#### **IV. ARBITRAGE REBATE SERVICES**

Annual arbitrage rebate is provided for a cost of \$1,250 per year plus an initial setup fee of \$500. Calculations provided each five (5) years in-lieu of annual calculations are provided for a cost of \$4,000 plus an initial setup fee of \$500.

#### **V. CONTINUING DISCLOSURE SERVICES**

The costs of preparing the annual report and dissemination are provided on a time and material basis and are included in the total annual estimates described above in Section I of this Exhibit “B.”

#### **VI. IRS COMPLIANCE MONITORING**

These services are provided only at the request of the Village. Services related to IRS compliance monitoring are estimated to cost \$1,500 a year with one-time set costs of \$1,500.



## **VII. ACCOUNTING SERVICES**

These services are provided only at the request of the Village. The costs of accounting services are provided on a time and material basis.

### **REIMBURSABLE EXPENSES**

Out of pocket expenses are billed at actual costs without any mark up. Administrator shall receive written approval from the Village before incurring any expenses in excess of one-hundred dollars (\$100).

The fees provided for herein may be increased from time to time to reflect increased costs of labor and services; provided however, that in no event shall such increase be made more than one time per year and such increase shall not exceed 10% of the fee charged immediately prior to the increase. Administrator shall provide Village with ninety (90) days advance written notice of each such increase.

### **ADDITIONAL WORK**

Services or meetings not included in the scope of work set forth in Exhibit "A" to this Agreement are identified as additional work and shall be billed at Administrator's prevailing hourly rates, which currently are as follows:

Title	Hourly Rate
President	\$250
Senior Vice President	225
Vice President	200
Manager	175
Senior Associate	150
Associate	135

Administrator's hourly rates may be adjusted from time to time to reflect increased costs of labor and services; provided, however, that in no event shall such increase be made more than one time per year and such increase shall not exceed 10% of the fee charged immediately prior to the increase. Administrator shall provide the Village with ninety (90) days advance written notice of each such increase.

Administrator shall not provide additional work without Village's prior written authorization.

Administrator shall send an invoice to Village each month showing the work performed, the person performing the work, the date the work was performed, the amount of the time worked, and the hourly rates for the work. The invoice shall be accompanied by a certificate to the trustee to be signed by the Village instructing the trustee to pay the invoice. Within thirty days of receiving the invoice, the Village shall forward each correctly billed invoice to the

trustee with a signed certificate instructing the trustee to pay the invoice. Administrator's invoices shall be paid solely from available funds of the Special Service Area.

**EXHIBIT F**

**Continuing Disclosure Undertaking**

**CONTINUING DISCLOSURE UNDERTAKING  
FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this "*Agreement*") is executed and delivered by the Village of Gilberts, Illinois (the "*Village*"), in connection with the issuance of \$\_\_\_\_\_ Special Service Area Number Nine Special Tax Refunding Bonds, Series 2015 (Big Timber Project) (the "*Bonds*") and by MuniCap, Inc. as Dissemination Agent (the "*Dissemination Agent*"). The Bonds are being issued pursuant to an ordinance adopted by the President and Board of Trustees of the Village on the 7<sup>th</sup> day of April, 2015 and a Bond Order executed pursuant thereto (the "*Ordinance*")

In consideration of the issuance of the Bonds by the Village and the purchase of such Bonds by the beneficial owners thereof, the Village and the Dissemination Agent covenant and agree as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Village as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Village represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* is defined in *Exhibit I*.

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the Village prepared pursuant to the standards and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means initially MuniCap, Inc. or any successor dissemination agent designated as such in writing by the Village and which has filed with the Village a written acceptance of such designation, and such agent's successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Final Official Statement, dated \_\_\_\_\_, 2015, and relating to the Bonds.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Reportable Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Illinois.

*Undertaking* means the obligations of the Village pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. The Village will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Village hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Village will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

(b) Not later than ten (10) business days prior to the date required by subsection (a), the Village shall provide the Annual Report to the Dissemination Agent. The Dissemination

Agent shall notify the Village in the event it does not receive such report. The Dissemination Agent shall assist the Village in completing the information described in Exhibit I.

(c) The Dissemination Agent shall:

(i) determine each year, prior to the date for providing the Annual Report the name and address of the MSRB, and

(ii) file a report with the Village certifying that the Annual Report has been provided pursuant to this Agreement, stating the date it was provided to the MSRB.

5. REPORTABLE EVENTS DISCLOSURE. (a) Subject to Section 8 of this Agreement, the Village hereby covenants that it will disseminate or cause the Dissemination Agent to give in a timely manner (not in excess of 10 business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

(b) In connection with providing a notice of the occurrence of a Reportable Event, the Dissemination Agent, solely in its capacity as such, is not obligated or responsible under this Agreement to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

(c) If the Dissemination Agent has been instructed by the Village to report the occurrence of a Reportable Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

6. CONSEQUENCES OF FAILURE OF THE VILLAGE TO PROVIDE INFORMATION. The Village shall give or cause the Dissemination Agent to give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Village to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Indenture, the Ordinance nor the Bonds, and the sole remedy under this Agreement in the event of any failure of the Village to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Village by ordinance or resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Village or Dissemination Agent shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the Village shall be terminated hereunder if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The Village shall give notice to EMMA in a timely manner if this Section is applicable.

9. DISSEMINATION AGENT. The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Village chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Village shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure

solely to the benefit of the Village, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The Village shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The Village shall not transfer its obligations hereunder unless the transferee agrees to assume all obligations of the Village under this Agreement or to execute an Undertaking under the Rule.



14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

VILLAGE OF GILBERTS

By \_\_\_\_\_  
Village President

MUNICAP, INC., as Dissemination Agent

By \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2015

**EXHIBIT I**  
**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED**  
**FINANCIAL STATEMENTS**

"*Annual Financial Information*" means operating and statistical information of the type contained in the following headings, subheadings and exhibits of the Final Official Statement:

1. EXPECTED SPECIAL TAX AND DEBT SERVICE COVERAGE
2. SECURITY AND SOURCE OF PAYMENT OF THE BONDS – Tax Sales and Foreclosures
3. THE SPECIAL SERVICE AREA AND SPECIAL TAX – History of Special Tax Payments
4. THE SPECIAL SERVICE AREA AND SPECIAL TAX – Equalized Assessed Valuation of the Special Service Area
5. THE SPECIAL SERVICE AREA AND SPECIAL TAX – Estimated Value-to-Lien Ratio of Special Service Area Property
6. THE SPECIAL SERVICE AREA AND SPECIAL TAX – Property Tax Rate Within Special Service Area
7. DIRECT AND OVERLAPPING DEBT RELATED TO SPECIAL SERVICE AREA NUMBER NINE – (Excluding Overlapping Debt Information)

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Village shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 240 days after the last day of the Village's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in accordance with the accounting principles described in the Official Statement. Audited Financial Statements will be submitted to EMMA within 30 days after availability to the Village.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Village will disseminate a notice of such change as required by Section 4.

**EXHIBIT II**  
**EVENTS WITH RESPECT TO THE BONDS**  
**FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Village\*
13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

---

\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.

**EXHIBIT III**  
**CUSIP NUMBERS**

<b>YEAR OF MATURITY</b>	<b>CUSIP NUMBER (37546R)</b>
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	