
**THE CITY OF BLUE ISLAND
COOK COUNTY, ILLINOIS**

**ORDINANCE
NUMBER 2019-054**

**AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE
ISSUANCE OF NOT TO EXCEED \$1,550,000 GENERAL
OBLIGATION LIMITED TAX BONDS, SERIES 2019 OF THE CITY
OF BLUE ISLAND, COOK COUNTY, ILLINOIS, AND FOR THE
LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE
PRINCIPAL AND INTEREST ON SAID BONDS, AND APPROVING
A TAX ESCROW AGREEMENT**

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ORDINANCE NO. 2019-054

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$1,550,000 GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2019 OF THE CITY OF BLUE ISLAND, COOK COUNTY, ILLINOIS, AND FOR THE LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON SAID BONDS, AND APPROVING A TAX ESCROW AGREEMENT

WHEREAS, the City of Blue Island, Cook County, Illinois (the "City"), has heretofore been duly organized as a municipal corporation and is now operating under the Illinois Municipal Code (65 ILCS 5/1-1-1, *et seq.*) and the Local Government Debt Reform Act (30 ILCS 350/1, *et seq.*) (collectively the "Act"); and

WHEREAS, the City Council has determined that it is advisable, necessary and in the best interest of the City, in order to promote and protect the public health, welfare, safety and convenience of the residents of the City to fund existing judgment indebtedness (the "Project"); and

WHEREAS, the total estimated cost of the Project, including engineering, legal, financial, bond discount, printing and publication costs and other expenses, is not less than \$1,550,000, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, the City Council does hereby find and determine that there are existing judgments against the City and that pursuant to provisions of Section 8-4-1 of the Illinois Municipal Code the City Council is authorized to issue such bonds without submitting the question of such issuance to the electors of the City; and

WHEREAS, the bonds so authorized shall be issued as limited bonds under the provisions of Section 15.01 of the Local Government Debt Reform Act of the State of Illinois and as such it is not necessary to submit the proposition of the issuance of the bonds to the voters of the City for approval; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act, a notice of a public hearing set for August 27, 2019 (the "Hearing") was given: (i) by publication on August 18, 2019, at least once not less than 7 nor more than 30 days before the date of the Hearing in the *Daily Southtown*, the same being a newspaper of general circulation in the City; and (ii) by posting at least 48 hours prior to the Hearing at the principal office of the City; and

WHEREAS, the Hearing was held on August 27, 2019, and at the Hearing the City Council explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was adjourned on August 27, 2019 and not less than 7 days have passed since the final adjournment of the Hearing.

NOW, THEREFORE, Be It Ordained by the City Council of the City of Blue Island, Cook County, Illinois, as follows:

Section 1. Definitions.

“Act” is defined in the Preambles of the Ordinance.

“Additional Bonds” means any limited bonds issued in the future payable from the debt service extension base.

“Authorized Denominations” means \$100,000 and integral multiples of \$1,000 in excess thereof.

“Bond” or “Bonds” means one or more, as applicable, of the not to exceed \$1,550,000 General Obligation Limited Tax Bonds, Series 2019 authorized to be issued by this Ordinance.

“Bond Fund” means the Bond Fund created in Section 9 of this Ordinance.

“Bond Purchase Agreement” is described in Section 7 of this Ordinance.

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

“Bond Registrar” means the City Treasurer.

“Business Day” means any day other than a day on which banks in Chicago, Illinois, are required to be closed.

“City” means the City of Blue Island, Cook County, Illinois.

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

“County Clerk” means the County Clerk of Cook County, Illinois.

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

“Designated Officers” mean any one of the following officers of the City: Mayor, City Clerk, and City Treasurer.

“Expense Account” means the account in the Proceeds Fund established hereunder and further described by Section 12 of this Ordinance.

“Illinois Municipal Code” means the Illinois Municipal Code (65 ILCS 5/1-1, *et seq.*), as supplemented and amended.

“Ordinance” means Ordinance No. 2019-054 passed November 26, 2019 by the City Council and approved by the Mayor.

“Outstanding” when used with reference to the Bonds and Additional Bonds means such of those bonds which are outstanding and unpaid: provided, however, such term shall not include any of the Bonds or Additional Bonds: (i) which have matured and for which moneys are on deposit with proper paying agents or are otherwise sufficiently available to pay all principal thereof and interest thereon; or (ii) the provision for payment of which has been made by the City by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, or other obligations unconditionally guaranteed as to timely payment by the United States Treasury or the Federal Deposit Insurance Corporation, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of and interest on such Bonds or Additional Bonds.

“Paying Agent” means the City Treasurer.

“Pledged Taxes” means the *ad valorem* taxes levied against all of the taxable property in the City without limitation as to rate or amount, pledged hereunder by the City as security for the Bonds.

“Proceeds Fund” means the Proceeds Fund created in Section 12 of this Ordinance and consists of the Project Account and the Expense Account.

“Project” means the Project as described and defined in the Preambles of this Ordinance.

“Project Account” means the account in the Proceeds Fund established hereunder and further described by Section 12 of this Ordinance.

“Purchase Price” means the price to be paid by the Purchaser for the Bonds as set forth in the Bond Purchase Agreement.

“Purchaser” means Beverly Bank & Trust Company, N.A., Chicago, Illinois.

“Rebate Fund” means the Rebate Fund authorized to be created in Section 11 of this Ordinance.

“Record Date” means the first day of the month containing any regular interest payment date occurring on the fifteenth day of a month and the fifteenth day preceding any interest payment date occasioned by the redemption of Bonds on other than the fifteenth day of a month.

“Stated Maturity” means, with respect to any Bond, the date specified in such Bond as the fixed date on which the principal of such Bond or such interest is due and payable, whether by maturity or otherwise.

“Tax-exempt” means, with respect to all or any portion of the Bonds, the status of interest paid and received thereon as not includible in the gross income of the owners thereof under the Code for federal income tax purposes, except to the extent that such interest will be taken into account in computing an adjustment used in determining the alternate minimum tax on certain corporations.

“Tax Escrow Agent” means Beverly Bank & Trust Company, N.A., Chicago, Illinois.

“Tax Escrow Agreement” means the tax escrow agreement authorized pursuant to the provisions of Section 10 of this Ordinance between the Tax Escrow Agent, the City, and the City Treasurer.

Definitions may also appear in the Preambles hereto or in specific sections, as appear below.

Section 2. Incorporation of Preambles. The City Council hereby finds that all of the recitals contained in the preambles to this ordinance are full, true and correct and does incorporate them into this ordinance by this reference.

Section 3. Authorization to Issue Bonds. It is hereby found and determined that the City has been authorized by law to borrow the sum of not to exceed \$1,550,000 upon the credit of the City and as evidence of such indebtedness to issue general Obligation Limited Tax Bonds of the City to said amount, the proceeds to be used for the purpose of paying the cost of the Project, and it is necessary and in the best interests of the City that there be issued at this time an amount not to exceed \$1,550,000 of the Bonds so authorized.

Section 4. Bond Details. There be borrowed on the credit of and for and on behalf of the City the sum of \$1,550,000 for the purpose aforesaid, bonds of the City (the “Bonds”) shall be issued in said amount and shall be designated “General Obligation Limited Tax Bonds, Series 2019”. The Bonds shall be dated the date of issuance, and shall also bear the date of authentication thereof, shall be in fully registered form, shall be in Authorized Denominations and shall be

numbered 1 and upward. The Bonds shall become due and payable serially (without option of prior redemption), in the amount and bearing interest at the rates per annum as follows:

Dates of Maturity	Principal Amount	Interest Rate
12/15/2020	\$235,000	2.20%
12/15/2021	\$245,000	2.35%
12/15/2022	\$255,000	2.50%
12/15/2023	\$265,000	2.65%
12/15/2024	\$275,000	2.80%
12/15/2025	\$275,000	2.95%

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds are paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 15 and December 15 of each year, commencing on June 15, 2020. The principal and interest on the Bonds is payable in lawful money of the United States of America and shall be made to the registered owner thereof as shown on the registration books of the City maintained by the City Treasurer (the “Bond Registrar” and “Paying Agent”), at the close of business on the Record Date and shall be paid by check or draft of the Paying Agent, mailed to the address of such registered owner as it appears on such registration books, or at such other address furnished in writing by such registered owner to the Bond Registrar.

The Bonds shall be signed by the manual or duly authorized facsimile signature of the Mayor and City Clerk, and the seal of the City may be affixed thereto or printed thereon. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar, as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 5. Registration of Bonds; Persons Treated as Owners. The City shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City. The City is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of Authorized Denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other Authorized Denominations. The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the first day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of 15 days next preceding mailing of a notice of redemption of any Bonds.

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

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

Section 6. Form of Bond. The Bonds shall be in substantially the following form:

REGISTERED NO.

REGISTERED \$

UNITED STATES OF AMERICA-STATE OF ILLINOIS-COUNTY OF COOK
CITY OF BLUE ISLAND
GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2019

Interest Rate: %

Maturity Date:

Dated Date:

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Blue Island, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Dated Date identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above on June 15 and December 15 of each year, commencing June 15, 2020 until said Principal Amount is paid. The principal and interest on this Bond is payable in lawful money of the United States of America and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the City Treasurer (the "Bond Registrar" and "Paying Agent"), at the close of business on the Record Date and shall be paid by check or draft of the Paying Agent, mailed to the address of such Registered Owner as it appears on such registration books, or at such other address furnished in writing by such Registered Owner to the Bond Registrar. "Record Date" means the first day of the month containing any regular interest payment date occurring on the fifteenth day of a month and the fifteenth day preceding any interest payment date occasioned by the redemption of Bonds on other than the fifteenth day of a month.

This Bond is a general obligation of the City. The full faith, credit and resources of the City are pledged to the punctual payment of the principal of and interest on the Bonds. This Bond is negotiable, subject to registration provisions, pursuant to the laws of the State of Illinois.

This Bond is one of a series of an authorized issue of Bonds of the City of like date, tenor and effect, except as to rates of interest and dates of maturity; aggregating \$1,550,000 (the "Bond" or the "Bonds"); numbered consecutively; issued for the purpose of funding existing judgment indebtedness and costs related to the issuance of the Bonds, as approved by the City Council. This Bond is issued pursuant to Ordinance No. 2019-054 passed by the City Council on November 26, 2019 and approved by the Mayor on said date (the "Bond Ordinance"), and in accordance with the Local Government Debt Reform Act of the State of Illinois, as amended (the "Debt Reform Act"). Reference is hereby expressly made to the Bond Ordinance for further definitions and terms and to all the provisions of which the Registered Owner by the acceptance of this Bond assents.

This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of Authorized Denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date of any interest payment date on such Bond and ending at the opening of business

on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of 15 days next preceding mailing of a notice of redemption of any Bonds.

The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

The City has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, including the authorizing Act have existed and have been property done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the City sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity or upon mandatory sinking fund redemption prior to maturity. Although this Bond constitutes a general obligation of the City and no limit exists on the rate of said direct annual tax, the amount of said tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Law"). The Law provides that the annual amount of the taxes to be extended to pay the issue of Bonds of which this Bond is one and all other limited bonds (as defined in the Debt Reform Act) hereafter issued by the City shall not exceed the debt service extension base (as defined in the Law) of the City (the "Base"). Payments on the Bonds from the Base will be made on a parity with the payments on the outstanding limited bonds heretofore issued by the City. The City is authorized to issue from time to time Additional Bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the City's limited bonds.

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

IN WITNESS WHEREOF, the City of Blue Island, Cook County, Illinois, by its City Council, has caused this Bond to be signed by the duly authorized manual or facsimile signatures of the Mayor and City Clerk, all as appearing hereon and as of the Dated Date as identified above.

Mayor

City Clerk

Date of Authentication: _____

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar
and Paying Agent: City Treasurer
City of Blue Island, Illinois

This Bond is one of the Bonds described in the within mentioned Ordinance.

By: _____
City Treasurer, as Bond Registrar

ASSIGNMENT

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

_____ (Name and Address and Social Security or other identifying number of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature of Assignee

Signature guaranteed: _____

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

Section 7. Sale of Bonds. The Bonds hereby authorized shall be executed as in this Ordinance, and thereupon be deposited with the City Treasurer, and, after authentication thereof, be by said City Treasurer delivered to the Purchaser, upon receipt of the purchase price therefor, the same being set forth in the contract for the sale of the Bonds to the Purchaser (the “Bond Purchase Agreement”) plus accrued interest to the date of delivery, if any, it being found the Bond Purchase Agreement is in the best interest of the City and that no person holding any office of the City, either by election or appointment, is in any manner interested, directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation, in the sale of the Bonds to the Purchaser. The Purchaser is authorized to pay the costs of issuance of the Bonds and to receive a credit against the Purchase Price of the Bonds. A Designated Officer is hereby authorized to execute the Bond Purchase Agreement.

Section 8. Tax Levy; Abatement of Pledged Taxes. In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there is hereby levied upon all the taxable property within the City, a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, the following direct annual tax for the Bonds, to-wit:

Tax Year	Tax Levy
2019	\$275,138
2020	\$279,968
2021	\$284,210
2022	\$287,835
2023	\$290,813
2024	\$283,113

It shall be the duty of the County Clerk to ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the City in connection with other taxes levied in said year for general and special purposes, in order to raise the respective amounts and in said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general and special purposes of the City, and when collected, the Pledged Taxes hereby levied shall be placed to the credit of the Bond Fund which funds are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal and interest on the Bonds.

Principal or interest coming due at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the City, and the fund from which such payment was made shall be reimbursed from the Pledged Taxes when the same shall be collected.

The City covenants and agrees with the purchasers and the holders of the Bonds that so long as the Bonds remains Outstanding, except as herein otherwise specifically provided, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the foregoing tax levy. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied, extended and collected as provided herein and deposited into the Bond Fund.

The City may, by certificate, prior to the time the Pledged Taxes levied in such calendar year are extended, direct the abatement of the Pledged Taxes, and proper notification of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement. The City may, by certificate, direct that the tax levy be increased for any one or more tax years, but not to exceed the debt service extension base.

Section 9. Series 2019 Bond Fund. There is hereby created a special fund of the City, which fund shall be held separate and apart from all other funds and accounts of the City and shall be known as the “Series 2019 Bond Fund” (the “Bond Fund”). The purpose of the Bond Fund is to provide a fund to receive and disburse the Pledged Taxes for any of the Bonds. All payments with respect to the Bonds shall be made directly from the Bond Fund. All Pledged Taxes shall be deposited to the Bond Fund. The Bond Fund and its respective accounts constitute a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance.

Section 10. Tax Escrow Agreement. The Bond Fund shall be held by the Tax Escrow Agent under a Tax Escrow Agreement between the City and the Tax Escrow Agent. The President, the Secretary and the Treasurer are hereby authorized and directed to execute the Tax Escrow Agreement. When the Tax Escrow Agreement is executed and delivered on behalf of the City as herein provided, the Tax Escrow Agreement will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Tax Escrow Agreement as executed.

The County Treasurer shall deposit the Pledged Taxes directly into the Bond Fund held by the Tax Escrow Agent; such Pledged Taxes to be used for paying the principal of and interest on the Bonds. In the special case of an advance of other City funds, the Pledged Taxes may be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on the Bonds or to receipt of Pledged Taxes. Investment income or profit earned in the Bond Fund shall be retained in the Bond Fund for payment of the principal of or interest on the Bonds on the interest payment date next after such income or profit is received or, to

the extent lawful and as determined by the Treasurer, transferred to such other fund as may be determined. The City hereby pledges, as equal and ratable security for the Bonds, all present and future proceeds of the Pledged Taxes on deposit in the Bond Fund for the sole benefit of the registered owners of the Bonds, subject to the reserved right of the Treasurer to transfer certain interest income or investment profit earned in the Bond Fund to other funds of the City, as provided herein.

Section 11. Rebate Fund. The City Treasurer is hereby authorized to create and establish a special fund to be known as the Rebate Fund, which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Ordinance. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Moneys in the Rebate Fund (including earnings and deposits therein) shall be held and used for any required payment to the United States of America to meet rebate requirements contained in Section 148(f) of the Code and in the Regulations.

Section 12. Use of Bond Proceeds; Proceeds Fund; Project Account; Expense Account. From the amounts received upon sale of the Bonds, all principal proceeds shall be deposited into a special fund to be designated “City of Blue Island Series 2019 Proceeds Fund” (the “Proceeds Fund”), hereby created, and disbursements shall be made from the Proceeds Fund only for payment of costs of the Project and expenses of issuance of the Bond or otherwise incidental to the Bond or such Project, and for which the principal proceeds are hereby appropriated. The Proceeds Fund shall consist of the Project Account and the Expense Account.

Accrued interest, if any, and capitalized interest, if any, received by the City upon the sale of the Bonds shall be remitted by the City Treasurer for deposit into the Bond Fund, and be used to pay first interest coming due on the Bonds.

A. The City shall then allocate from the Bond proceeds the sum necessary for expenses incurred in the issuance of the Bonds which shall be deposited into an “Expense Account” to be maintained by the City Treasurer and disbursed for such issuance expenses from time to time in accordance with usual City procedures for the disbursement of funds, which disbursements are hereby expressly authorized. Moneys not disbursed from the Expense Account within 30 days shall be transferred by the City for deposit in the hereinafter described Project Account, and any deficiencies in the Expense Account shall be paid by disbursement from the Project Account.

B. The balance of the proceeds of the Bonds, are hereby appropriated for, and shall be used to pay for the costs of the Project; and shall be deposited into the Project Account.

Section 13. General Covenants. The City covenants and agrees with the holders of the Bonds, that, so long as any Bonds remain Outstanding:

A. The City will punctually pay or cause to be paid from the Bond Fund the principal of, interest on, and premium, if any, to become due in respect to the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

B. The City will pay and discharge, or cause to be paid and discharged, from the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Taxes or upon any such funds in the hands of the Paying Agent, or which might impair the security of the Bonds. Nothing herein contained shall require the City to make any such payment so long as the City in good faith shall contest the validity of said claims.

C. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Project, to the Pledged Taxes and to the Bond Fund. 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 10% of the principal amount of the Outstanding Bonds or their representatives authorized in writing.

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

E. The City will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance, and for the better assuring and confirming unto the holders of the Bonds of the rights and benefits provided in this Ordinance.

F. As long as any Bonds are Outstanding, the City will continue to deposit the Pledged Taxes to the Bond Fund. The City covenants and agrees with the purchasers of the Bonds and with the registered owners thereof that so long as any Bonds remain Outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to collect the Pledged Taxes. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be collected as provided herein and deposited into the Bond Fund.

G. Once issued, the Bonds shall be and forever remain until paid or defeased the general obligation of the City, for the payment of which its full faith and credit are pledged, and shall be payable from the levy of the Pledged Taxes as provided in the Debt Reform Act.

Section 14. Defeasance of the Bonds. Bonds which are no longer Outstanding Bonds shall cease to have any lien on or right to receive or be paid from the Pledged Taxes and shall no longer have the benefits of any covenant for the registered owners of Outstanding Bonds as set forth herein as such relates to lien and security for the Bonds in the Pledged Taxes. Bonds may be defeased pursuant to the provisions of the Local Government Defeasance of Debt Law (50 ILCS 415/0.01, *et seq.*).

Section 15. General Arbitrage Covenants. The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bond) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Bonds, under present rules, the City is treated as the “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

The City also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the Tax-exempt status of the Bonds.

The City Council hereby authorizes the Designated Officers to make such further covenants and certifications regarding the specific use of the proceeds of the Bonds as approved by the City Council and as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be exempt from federal income taxation. In connection therewith, the City Council further agrees: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if

deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

Section 16. Qualified Tax-Exempt Obligations. The City hereby designates each of the Bonds as a "qualified tax-exempt obligation" for the purpose and within the meaning of Section 265(b)(3) of the Code.

Section 17. Noncompliance with Tax Covenants. Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance and other documents executed by the City which are designed to preserve the exclusion of interest in the Bond from gross income under federal law need not be complied with if the City receives an opinion of nationally recognized bond counsel that any such provision is unnecessary to preserve the exemption from federal taxation.

Section 18. Registered Form. The City recognizes that Section 149(j) of the Internal Revenue Code of 1986, as amended, requires the Bond to be issued and to remain in fully registered form in order that interest thereon not be includable in gross income for federal income tax purposes under laws in force at the time the Bond is delivered. The City will not take any action to permit the Bond to be issued in, or converted into, bearer or coupon form.

Section 19. List of Registered Owners. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 20. Provisions a Contract. The provisions of this Ordinance shall constitute a contract between the City and the owners of the Outstanding Bonds and no changes, additions, or alterations of any kind shall be made hereto, except as herein provided, so long as there are any Outstanding Bonds.

Section 21. Amendments of and Supplements to the Ordinance.

A. *Without Consent of Bondholders.* The City may amend or supplement this Ordinance or the Bonds without notice to or consent of any Bondholder:

- (1) to cure any ambiguity, inconsistency or formal defect or omission;
- (2) to grant for the benefit of the Bondholders additional rights, remedies, powers or authority;
- (3) to provide for additional collateral for the Bonds or to add other agreements of the City;

(4) to modify this Ordinance or the Bonds to permit qualifications under the Trust Indenture Act of 1939 or any similar Federal statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States; or

(5) to make any change (including, but not limited to, a change to reflect any amendment to the Code or interpretations by the IRS of the Code) that does not materially adversely affect the rights of any Bondholder.

B. *With Consent of Bondholders.* If an amendment of or supplement to this Ordinance or the Bonds without any consent of Bondholders is not permitted by the preceding paragraph, the City may enter into such amendment or supplement upon not less than 30 days, notice to Bondholders and with the consent of the holders of at least a majority in principal amount of the Outstanding Bonds. However, without the consent of each Bondholder affected, no amendment or supplement may:

- (1) extend the maturity of the principal of, or interest on, any Bond;
- (2) reduce the principal amount of, or rate of interest on, any Bond;
- (3) affect a privilege or priority of any Bond over any other Bond;
- (4) reduce the percentage of the principal amount of the Bonds required for consent to such amendment or supplement;
- (5) impair the exclusion of interest on the Bonds from the federal gross income of the owner of any Bond; or
- (6) eliminate any mandatory redemption of the Bonds or call for mandatory redemption or reduce the redemption price of such Bonds.

C. *Effect of Consents.* After an amendment or supplement becomes effective, it will bind every Bondholder. For purposes of determining the total number of Bondholders' consents, each Bondholder's consent will be effective with respect to the Bondholder who consented to it and each subsequent holder of a Bond or portion of a Bond evidencing the same debt as the consenting holder's Bond.

D. *Notation on or Exchange of Bonds.* If an amendment or supplement changes the terms of the Bond, the City may require the holder to deliver it to the Bond Registrar. The Bond Registrar may place an appropriate notation on the Bond about the changed terms and return it to the holder. Alternatively, if the Bond Registrar and the City determine, the City in exchange for the Bond will issue and the Bond Registrar will authenticate a new Bond that reflects the changed terms.

Section 22. Supplemental Documents. The Mayor, City Clerk and City Treasurer are hereby authorized to execute or attest such documents as necessary to carry out the intent of this Ordinance, the execution of such documents to constitute conclusive evidence of their approval and approval hereunder.

Section 23. Approval of Financing Participants. The selection and retention of Louis F. Cainkar, Ltd., to serve as Bond Counsel, is hereby ratified, confirmed and approved.

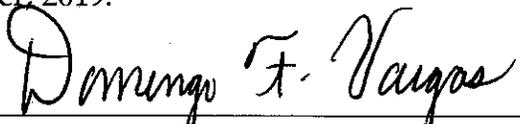
The Designated Officers are hereby authorized to execute, without further official action or direction by the Corporate Authorities, such additional documents and closing documents as shall be required to effectuate the delivery of the Bonds.

Section 24. Severability and Repealer. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

ADOPTED this 26th day of November, 2019, pursuant to roll call as follows:

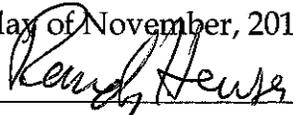
	YES	NO	ABSENT	PRESENT	ABSTAIN
Alderman JOHNSON		X			
Alderman ALEXANDER			X		
Alderman BILOTTO	X				
Alderman CAZARES	X				
Alderman RITA			X		
Alderman DONAHUE			X		
Alderman HAWLEY	X				
Alderman FAHRENWALD	X				
Alderman MECH	X				
Alderman HILL	X				
Alderman CANTELO-ZYLMAN	X				
Alderman CARR	X				
Alderman SLATTERY			X		
Alderman KLINKER	X				
Mayor DOMINGO F. VARGAS					
TOTAL	9	1	4		

APPROVED: this 26th day of November, 2019.



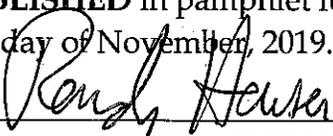
**MAYOR OF THE CITY OF BLUE ISLAND,
 COUNTY OF COOK AND STATE OF ILLINOIS**

ATTESTED and Filed in my office this
 26th day of November, 2019.



CITY CLERK

PUBLISHED in pamphlet form this
 26th day of November, 2019.



CITY CLERK

STATE OF ILLINOIS)
)
COUNTY OF COOK) ss.

CERTIFICATE

I, RANDY HEUSER, certify that I am the duly elected and acting municipal clerk of the City of Blue Island of Cook County, Illinois.

I further certify that on **November 26, 2019** the Corporate Authorities of such municipality passed and approved Ordinance No. **19-054** Entitled: **AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$1,550,000 GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2019 OF THE CITY LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON SAID BONDS, AND APPROVING A TAX ESCROW AGREEMENT.**

Which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. **19-054** including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance posted in the municipal building commencing on **November 26, 2019** and continuing for at least ten days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the municipal clerk.

DATED at Blue Island, Illinois, this **26th** day of **November, 2019**.

(SEAL)



Municipal Clerk