

RECORDING REQUESTED BY

NAME: Deborah Martin

WHEN RECORDED MAIL TO:

NAME: Northern Moraine Wastewater Reclamation District

ADDRESS: PO Box 240, Island Lake IL 60042

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ORDINANCE 19-07
AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING
BONDS (ALTERNATE REVENUE SOURCE), SERIES 2019 OF THE NORTHERN MORAINÉ
WASTEWATER RECLAMATION DISTRICT, LAKE AND MCHENRY COUNTIES, ILLINOIS, IN
AN AGGREGATE AMOUNT OF \$4,200,000

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WHEREAS, the Northern Moraine Wastewater Reclamation District, Lake and McHenry Counties, Illinois (the “District”), is a duly organized and existing sanitary district incorporated, created, and now operating under the provisions of the Sanitary District Act of 1917, as amended (the “Sanitary Act”) under the laws of the State of Illinois; and

WHEREAS, the District has previously issued its General Obligation Bonds (Alternate Revenue Source), Series 2010 (the “Prior Bonds”); and

WHEREAS, the Board of Trustees of the District (the “Board”) has determined that it is advisable, necessary and in the best interests of the District to refund all or a portion of the Prior Bonds for the benefit of the inhabitants of the District (the “Refunding”); and

WHEREAS, the Refunding is exempt from the requirements of the Local Government Debt Reform Act of the State of Illinois (the “Act”) to the extent that the term of the refunding bonds does not exceed the term of the refunded bonds and the debt service on the refunding bonds does not exceed the debt service of the refunded bonds; and

WHEREAS, the Board is now authorized to issue alternate bonds in accordance with the provisions of the Act, and the Board hereby determines that it is necessary and desirable that bonds in an aggregate amount of \$4,200,000 be issued; and

WHEREAS, the revenue sources that will be pledged to the payment of the principal and interest on the alternate bonds will be (i) revenues received by the District from operations to the fullest extent permitted by law, including Sections 13 and 15 of the Act, (ii) revenues received by the District from any levy for special services under Section 19.1 of the Sanitary Act, and (iii) such

other funds of the District as may be lawfully available and annually appropriated for such purpose (collectively, the “Pledged Revenues”); and

WHEREAS, if the above-mentioned Pledged Revenues are insufficient to pay said alternate bonds, ad valorem property taxes upon all taxable property in the District without limitation as to rate or amount are authorized to be extended to pay the principal of and interest on said alternate bonds;

WHEREAS, the Board hereby determines that the Pledged Revenues will provide in each year an amount not less than 1.25 times debt service of the alternate bonds proposed to be issued; and

WHEREAS, such determination is supported by the most recent audit of the District (the “Audit”), which Audit has previously been presented to the Board and is currently on file with the Secretary;

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, LAKE AND MCHENRY COUNTIES, ILLINOIS, AS FOLLOWS:

Section 1. Incorporation of Recitals. The Board hereby finds that all of the recitals contained in the preambles to this ordinance are full, true and correct and do incorporate them into this ordinance by this reference.

Section 2. Issuance of Bonds. It is hereby found and determined that the Board of said District has been authorized by the provisions of the Act to issue alternate bonds of said District in the aggregate amount of \$4,200,000 for the purpose of paying the costs of the Refunding, costs of issuance and all necessary and incidental expenses incidental thereto, all for the benefit of the inhabitants of the District to serve the inhabitants of the District and that such borrowing of money

is necessary for the welfare of the government and affairs of the District, is a proper public purpose and is in the public interest.

There shall be borrowed on the credit of and for and on behalf of the District, the aggregate principal amount of \$4,200,000 to implement the Refunding, and the District shall issue in the name of the District its “General Obligation Refunding Bonds (Alternate Revenue Source), Series 2019 (or such other appropriate series designation)” (the “Bonds”) pursuant to the Act. The final details of the Bonds shall be set forth in the bond order executed by the Board President following the sale of the Bonds (the “Bond Order”).

The Bonds shall be issued in the denomination of Five Thousand Dollars (\$5,000) each or integral multiples thereof, numbered consecutively from 1 upward, and dated the date of delivery (or such other denomination as set forth in the Bond Order). The Bonds shall mature or be subject to mandatory redemption over a period ending not later than May 1, 2029, in amounts (not exceeding \$491,000) as set forth in the Bond Order and bearing interest not to exceed 5.00%, and provided that (i) the term of the refunding bonds shall not exceed the term of the Prior Bonds refunded, (ii) the debt service on the refunding bonds does not exceed the debt service of the Prior Bonds refunded, and (iii) the Refunding shall result in at least a 3.00% present value savings on the debt service of the Prior Bonds refunded. The exact maturity schedule and interest rates shall be set forth in the Bond Order.

The Bonds shall bear interest from the date of delivery until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semiannually on May 1 and November 1 of each year commencing on May 1, 2020, or such other date as identified in the Bond Order.

Interest on the Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the Bonds unless the Bonds are authenticated after the fifteenth day of the month preceding interest payment date and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless the Bonds are authenticated on or before the fifteenth day of the month preceding the first interest payment date, in which case they shall bear interest from the original date until the principal shall be fully paid.

Section 3. Registrar and Paying Agent. The President of the Board shall name the Treasurer of the District or a bank with an office in Illinois to serve as Registrar and Paying Agent for the Bonds (the “Registrar” or “Paying Agent”) in the Bond Order. The Registrar is hereby charged with the responsibility of authenticating the Bonds. The principal of the Bonds shall be payable at the principal office of the Paying Agent. All payments of interest on the Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners thereof as the names appear as of the first day of the month containing the interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment, shall be legal tender for the payment of public and private debts.

Each Bond shall be transferable or exchangeable only upon the books of the District kept for that purpose at the principal office of the Registrar by the registered owner in person, or by its attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the fifteenth (15th) day preceding any interest payment date on such Bond occurs and ending on such interest payment date. The costs of such transfer or exchange shall be borne by the District except for any tax or governmental charge required to be paid with respect to the transfer or exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The District, Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving 30 days' notice in writing to the District and by first class mail to each registered owner of the Bonds then outstanding, and such resignation will take effect at the end of such 30 day period or upon the earlier appointment of a successor registrar and paying agent by the District. Any such notice to the District may be served personally or sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the District, in which event the District may appoint a successor registrar and paying agent. The District shall

notify each registered owner of the Bonds then outstanding by first class mail of the removal of the Registrar and Paying Agent. Notices to the registered owners of the Bonds shall be deemed to be given when mailed by first class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar.

Upon the appointment of any successor registrar and paying agent by the District, the Board President and District Manager are authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the Bonds. The Board President and District Manager are further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar and paying agent and such fees may be paid from the fund established to pay the principal of interest on the Bonds as fiscal agency charges.

Any predecessor registrar and paying agent shall deliver all of the Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

The District may determine that it is beneficial to the District to have the Bonds held by a central depository system pursuant to an agreement between the District and The Depository Trust Company, New York, New York (the "Depository Trust Company") and have transfers of the Bonds effected by book-entry on the books of the central depository system ("Book Entry System"). The Bonds shall be initially issued in the form of a separate single authenticated fully registered Bond for the aggregate principal amount of each separate maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company.

With respect to the Bonds registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, the District and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including any beneficial owner (the “Beneficial Owner”)) of the Bonds with respect to (i) the accuracy of the records of the Depository Trust Company, CEDE & CO., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any notice with respect to the Bonds including any notice of redemption, or (iii) the payment to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the principal of, or premium, if any, or interest on the Bonds except as otherwise provided herein.

So long as the Bonds are registered in the name of CEDE & CO., as nominee of the Depository Trust Company, no person other than the Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the District to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this ordinance. The District and the Registrar and Paying Agent may treat as and deem the Depository Trust Company or CEDE & CO. to be the absolute bondholder of each of the Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Bonds; (ii) giving notices of redemption and other notices permitted to be given to bondholders with respect to such Bonds; (iii) registering transfers with respect to such Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of the Depository Trust Company, and all such payments shall be valid and

effective fully to satisfy and discharge the District's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by the Depository Trust Company to the District of written notice to the effect that the Depository Trust Company has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this ordinance shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of CEDE & CO., as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Depository Trust Company as provided in a representation letter from the District to the Depository Trust Company (the "Blanket Issuer Letter of Representations").

Upon receipt by the District of written notice from the Depository Trust Company to the effect that the Depository Trust Company is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the Depository Trust Company hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the register of the District kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, but may be registered in whatever name or names the bondholders transferring or exchanging the Bonds shall designate, in accordance with the provisions of this ordinance.

If the District determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Bonds, the District may notify the Depository Trust Company and the Registrar, whereupon the Depository Trust Company will notify the Beneficial

Owners of the availability through the Depository Trust Company of certificates for the Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the Bonds as requested by the Depository Trust Company and any Beneficial Owners in appropriate amounts, and whenever the Depository Trust Company requests the District and the Registrar to do so, the Registrar and the District will cooperate with the Depository Trust Company by taking appropriate action after reasonable notice to (i) make available one or more separate certificates evidencing the fully registered Bonds of any Beneficial Owner's Depository Trust Company account or (ii) arrange for another securities depository to maintain custody of certificates for and evidencing the Bonds.

If the Bonds shall no longer be restricted to being registered in the name of the Depository Trust Company, the Registrar shall cause said Bonds to be printed in blank in such number as the Registrar shall determine to be necessary or customary; provided, however, that the Registrar shall not be required to have such Bonds printed until it shall have received from the District indemnification for all costs and expenses associated with such printing

Section 4. Redemption. The Bonds will be subject to Optional Redemption and Mandatory Redemption as set forth in the Bond Order.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the District by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar, or be electronic notification through The Depository Trust Company in accordance with its operating rules upon five (5) days notice.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be a corporate trust office of the Bond Registrar, and
- (6) such other information then required by custom, practice or industry standard.

Prior to any redemption date, the District shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption shall be conditioned upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of

redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Section 5. Execution and Negotiability. Each of the Bonds shall be executed in the name of the District by the manual or facsimile signatures of the Board President and the District Manager, and the seal of the District shall be affixed, imprinted, engraved or otherwise reproduced thereon and countersigned by the manual or facsimile signature of the Board Treasurer; and these officials, by the execution of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures the facsimile signatures appearing on the Bonds. In case any officer whose signature or facsimile signature appears on the Bonds shall cease to be such officer before the

delivery of the Bonds, the signature of such officer shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

The Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Illinois, subject to the provisions for registration herein.

The Bonds shall also be authenticated by the manual signature of the Registrar, and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

Section 6. Form of Bonds. The form and tenor of the Bonds shall be substantially as follows, all blanks to be filled in properly prior to delivery:

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTIES OF LAKE AND MCHENRY

NORTHERN MORAINÉ WASTEWATER RECLAMATION DISTRICT
GENERAL OBLIGATION REFUNDING BOND
(ALTERNATE REVENUE SOURCE), SERIES 2019

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Date</u>	<u>Authentication Date</u>	<u>CUSIP</u>
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REGISTERED OWNER:

PRINCIPAL SUM:

The Northern Moraine Wastewater Reclamation District, Lake and McHenry Counties, Illinois (the "District"), for value received, hereby promises to pay to the Registered Owner named above or registered assigns, the Principal Sum set forth above on the Maturity Date set forth above, and to pay interest hereon (computed on the basis of a 360-day year of twelve 30-day months) at the Interest Rate per annum stated above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date or unless this bond is authenticated on or before [_____, 20__], in which case it shall bear interest from the Original Date, until the principal is paid, which interest is payable semiannually on May 1 and November 1 in each year, beginning on [_____, 20__].

The principal of this Bond is payable at the [corporate trust office of _____] [office of the Treasurer of the District], (the “Registrar” or “Paying Agent”), in Chicago, Illinois. All payments of interest on this bond shall be paid by check, mailed one business day prior to the interest payment date to the registered owner hereof as of the fifteenth day preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

This Bond is a general obligation of the District payable as to principal and interest from (i) revenues received by the District from operations to the fullest extent permitted by law, including Sections 13 and 15 of the Act, (ii) revenues received by the District from any levy for special services under Section 19.1 of the Sanitary Act, and (iii) such other funds of the District as may be lawfully available and annually appropriated for such purpose (collectively, the “Pledged Revenues”). In the event that the Pledged Revenues are insufficient to pay the principal and interest on this Bond, ad valorem taxes shall be levied against all taxable property within the District, without limitation as to rate or amount, all in accordance with the provisions of the Act. This Bond is negotiable, subject to registration provisions, pursuant to the laws of the State of Illinois.

This Bond is one of an authorized series of bonds of the District of like date, tenor and effect, except as to rates of interest and dates of maturity; aggregating [\$4,200,000] numbered consecutively from R-1 up; issued to refund certain of the District’s outstanding debt obligations, and to pay certain costs of issuance and incidental expenses (the “Refunding”), all for the benefit of the inhabitants of the District, as approved by the Board of Trustees of the District (the “Board”). This Bond is issued pursuant to a Bond Ordinance adopted by the Board on the October 8, 2019, as supplemented by a Bond Order dated as of [_____, 2019] (collectively, the “Ordinance”), and in accordance with the Act, the proceeds of which bonds are to be applied solely to pay the cost of the Refunding and the costs of issuance incidental thereto.

The Bonds are subject to Optional Redemption and Mandatory Redemption as set forth in the Bond Order executed by the Board President.

This Bond is transferable or exchangeable only upon the books of the District kept for that purpose at the principal office of the Registrar by the registered owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The Registrar shall not be required to transfer or exchange this bond during

the period beginning at the close of business on the fifteenth (15th) day of the month preceding the interest payment date on this bond occurs and ending on such interest payment date. The District, the Registrar, the Paying Agent and any other registrar or paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

[The Bonds shall be initially issued in a Book Entry System (as defined in the Ordinance). The provisions of this bond and of the Ordinance are subject in all respects to the provisions of the Blanket Issuer Letter of Representations (as defined in the Ordinance) between the District and The Depository Trust Company, or any substitute agreement, effecting such Book Entry System.]

This Bond is subject to defeasance prior to payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE.

[The District has designated the Bonds as qualified tax-exempt obligations for the purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended and in effect on the issue date of the Bonds.]

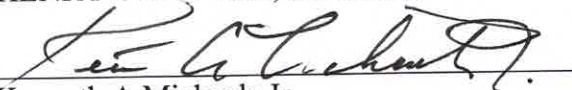
The Bonds maturing in any one year are issuable only in fully registered form in the denomination of [\$5,000] or any integral multiple thereof.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law; that the indebtedness of the District, including the issue of the Bond of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of alternate revenues sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

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

IN WITNESS WHEREOF, the Northern Moraine Wastewater Reclamation District, Lake and McHenry Counties, Illinois, has caused this bond to be executed by the manual or facsimile signatures of the Board President and the District Manager, the seal of said District (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and countersigned by the duly authorized manual or facsimile signature of the Board Treasurer, all as of the Original Date identified above.

NORTHERN MORAIN WASTEWATER
RECLAMATION DISTRICT, LAKE AND
MCHENRY COUNTIES, ILLINOIS

By 
Kenneth A Michaels Jr.
President, Board of Trustees

By Mohammed Haque
Mohammed Haque, District Manager

[SEAL]Countersigned:

By Lydia Ryberg
Lydia Ryberg, District Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Ordinance.

[_____] ,
as Registrar

By _____
Authorized Officer

Section 7. Sale of Bonds. The District Treasurer is hereby authorized to proceed to deliver the Bonds to the purchaser thereof (the "Purchaser"), upon receipt of the principal amount of thereof plus a premium or less a discount as set forth in the Bond Order. The Bonds may be sold through either a competitive or negotiated sale at the discretion of the District Manager as a price of not less than 98% of the par value of the principal amount thereof (net of any original issue discount, plus accrued interest, if any, to the date of delivery.. The Board President and the District Manager are authorized and directed to execute a bond purchase agreement (the "Purchase Contract") in connection with the sale of the Bonds, in the name of and on behalf of the District. The Purchase Contract shall be substantially in the form of purchase contracts commonly used in transactions similar to that described in the Ordinance, and may be a forward purchase, direct placement or other similar arrangement, with such changes as necessary to reflect the terms and provisions of the Bonds, this Ordinance and such other changes as the President, Treasurer or District Manager shall determine are necessary or desirable in connection with the sale of the

Bonds. No person holding any office of the District, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract. The President is authorized to approve the form of a Preliminary Official Statement, or other such offering document, for the Bonds and to deem it nearly final, and the President is hereby authorized and directed to execute the final Official Statement, or other such offering document, after the sale of the Bonds to the Purchaser. If required, the President is authorized to approve a form of Continuing Disclosure Undertaking, and the President and District Manager are authorized and directed to complete and execute the Continuing Disclosure Undertaking with such changes as they deem necessary or appropriate. The President and District Manager are also authorized and directed to apply for and obtain municipal bond insurance on the Bonds if the Purchaser can demonstrate that the present value of the interest to be saved by procuring such insurance is greater than the premium required to be paid to procure it. The Board President and District Manager are also authorized to execute an Escrow Agreement, or similar agreement, in connection with the Refunding. The Board President, Treasurer and District Manager are hereby authorized to take any action as may be required on the part of the District to consummate the transactions contemplated by the Purchase Contract, this Ordinance, and the Bonds.

Section 8. Alternate Revenue Source; Additional Security Tax Levy. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, the District covenants and agrees with the Purchaser and the owners of the Bonds that the District will deposit the Pledged Revenues as set forth herein. The Pledged Revenues are hereby pledged to the payment of the Bonds, and the Board covenants and agrees to provide for, collect and apply the Pledged Revenues to the

payment of the Bonds. The Board covenants, to the extent it is empowered to do so, to provide for, collect and apply such Pledged Revenues to the payment of the Bonds, and the provision of not less than an additional 0.25 times debt service.

For the purpose of providing additional security to guarantee funds sufficient to pay interest on the Bonds as it falls due and pay and discharge the principal thereof at maturity, if the above-mentioned Pledged Revenues are insufficient to pay said alternate bonds, there be and there is hereby levied upon all the taxable property within the District a direct annual tax (the "Pledged Taxes") for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and that there be and there is hereby levied upon all of the taxable property in the District, in addition to all other taxes, a direct annual tax in the years and amounts as set forth in the Bond Order.

Principal or interest coming due at any time when there are not sufficient funds on hand from the Pledged Revenues to pay the same shall be paid from current funds on hand of the District, and the fund from which such payment was made shall be reimbursed out of the Pledged Taxes hereby levied when the same shall be collected.

The District covenants and agrees with the Purchaser and the owners of the Bonds that so long as any of the Bonds remain outstanding, the District will take no action or fail to take any action which in any way would adversely affect the ability of the District to collect the Pledged Revenues or to levy and collect the Pledged Taxes, and the District and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and that the Pledged Taxes will be levied, extended and collected as provided herein and deposited in the Bond Fund.

The funds derived from the tax levy when Pledged Revenues are insufficient are hereby appropriated and set aside for the sole and only purpose of paying principal and interest on said Bonds when and as the same become due.

Section 9. Filing of Ordinance – Bond Fund. After this Ordinance becomes effective, a copy hereof, certified by the District Clerk, shall be filed with the County Clerks of Lake and McHenry Counties (each, a “County Clerk”). The County Clerk shall, in years when the Pledged Revenues are insufficient to pay the principal and interest due on the Bonds, ascertain the rate required to produce the aggregate Pledged Taxes hereinbefore provided to be levied in each of said years; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the District for general corporate purposes of the District; and the County Clerk, or other appropriate officer or designee, shall remit the Pledged Taxes for deposit to the credit of a special fund created by Section 9 hereof and referred to as the “Bond Fund”, and in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the District in like manner as taxes for general corporate purposes of the District for said years are levied and collected, and in addition to and in excess of all other taxes. The Pledged Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying principal of and interest on the Bonds.

Section 10. Bond Fund and Escrow Fund. (a) Bond Fund. There is hereby established a special fund of the District known as the “Alternate Bond and Interest Fund of 2019 (or such other year as appropriate)” (the “Bond Fund”) to be held by the Paying Agent which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the District by this ordinance. The Bonds are secured by a pledge of all of the moneys on deposit in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the

obligations of the District are discharged under this ordinance. Within the Bond Fund there shall be created two accounts: the Bond and Interest Account (the “Bond and Interest Account”) and the Surplus Account (the “Surplus Account”). The Bond and Interest Account shall only be used to pay the interest on the Bonds and principal of the Bonds at maturity or upon redemption. The Surplus Account may be used by the District for any lawful purpose. Pledged Revenues, and Pledged Taxes when required, shall be set aside as collected and deposited into the Bond and Interest Account. Upon receipt of the Pledged Revenues, the Treasurer shall deposit into the Bond and Interest Account an amount equal to one-sixth (1/6) of the amount of interest due on the Bonds on the next interest payment date and an amount equal to one-twelfth (1/12) of the amount of principal due on the Bonds on the next principal payment date. The balance of the Pledged Revenues received each month shall be deposited into the Surplus Account.

(b) Escrow Fund. There is hereby established a special fund of the District known as the “Escrow Fund” to be held by the Treasurer. There shall be deposited in the Escrow Fund the proceeds of the Bonds in an amount sufficient to effect the Refunding. The Escrow Fund shall be maintained separate and apart from all other accounts of the District. Moneys in the Escrow Account shall be used to complete the Refunding.

Section 11. Use of Bond Proceeds. Proceeds in an amount sufficient to effect the Refunding and costs associated therewith are hereby appropriated for such purpose and hereby ordered to be deposited into the Escrow Fund. Proceeds relating to the costs of issuance shall be deposited with the District to pay for such costs. Proceeds of the Bonds in excess of the amount needed to fully fund the Escrow Fund, and pay costs of issuance and any other necessary and incidental costs shall be transferred to the Bond Fund.

Interest received from deposits in the Escrow Fund shall, at the discretion of the Board, either be transferred for the payment of the principal of and interest on the Bonds on the interest payment date next after such interest is received or retained in the Escrow Fund. In the event that any moneys remain in the Escrow Fund upon completion of the Refunding, the District shall deposit the remaining moneys into the Bond Fund. Such moneys which are on deposit in the Bond Fund after 30 days of the date of deposit shall be invested at a yield not exceeding the yield on the Bonds in the event that the investment of such moneys shall cause the Bond Fund not to be a bona fide debt service fund pursuant to Treas. Reg. Section 1.148(1)(b).

Section 12. Defeasance of the Bonds. If, when the Bonds or a portion thereof shall have become due and payable in accordance with their terms, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or a portion thereof then outstanding shall be paid; or (i) sufficient moneys or (ii) direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury), the principal of and the interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds or any designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to any pledge of the Pledged Revenues and/or the Pledged Taxes made herein.

Section 13. Investment of Moneys. Moneys in the Bond Fund and the Escrow Fund may be invested by the Treasurer in lawful investments for the District. All income earned or losses sustained on such investments shall be credited to the Fund or Account from which the investments were made.

Section 14. Additional Bonds. The District may without limit issue additional bonds (“Additional Bonds”) on a parity with or junior to the Bonds as to the pledge of the Pledged Revenues. If such Additional Bonds are to be parity bonds, the Pledged Revenues shall be sufficient to provide for or pay all of the following: (i) debt service on all outstanding Bonds computed immediately after the issuance of any proposed Additional Bonds, and (ii) an additional amount not less than 0.25 times debt service on the outstanding Bonds and Additional Bonds after the issuance of the proposed Additional Bonds. Such sufficiency shall be calculated for each year to the final maturity of the Bonds and the Additional Bonds. The determination of the sufficiency of the Pledged Revenues shall be supported by reference to the most recent audit of the District, which audit shall be for a Fiscal Year ending not earlier than eighteen (18) months previous to the time of issuance of the proposed Additional Bonds. If such audit shows the Pledged Revenues to be insufficient, then the determination of sufficiency may be supported by the report of an independent accountant or feasibility analyst demonstrating the sufficiency of the Pledged Revenues and explaining by what means they will be greater than shown in the audit.

Section 15. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than one hundred percent (100%) in aggregate principal amount of the Bonds issued pursuant to this ordinance and then outstanding shall have the right from time to time, anything contained in this ordinance to the contrary notwithstanding, to consent to and approve the adoption by the District of such ordinance or ordinances supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding in any particular manner any of the terms or provisions contained in this ordinance, or in any

supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting.

(a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this ordinance; or

(b) A reduction in the principal amount of any Bond or the rate of interest thereon; or

(c) A preference or priority of any Bond or Bonds issued pursuant to this ordinance over any other Bond or Bonds issued pursuant to the provisions of this ordinance; or

(d) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or

If the owners of not less than one hundred percent (100%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the District Clerk of the District, no owner of any Bond issued pursuant to this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the District from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the District and all owners of Bonds then outstanding, shall thereafter be determined, exercised and enforced in accordance with this ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this ordinance, the rights and obligations of the District and of the owners

of the Bonds authorized by this ordinance, and the terms and provisions of the Bonds and this ordinance, or any supplemental or amendatory ordinance, may be modified or altered in any respect with the consent of the District and the consent of the owners of all the Bonds then outstanding.

Section 16. Tax Covenants. In order to preserve the exclusion of interest on the Bonds if designated as tax-exempt or tax-advantaged (the “Tax Advantaged Bonds”) from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of issuance of the Tax Advantaged Bonds and the Regulations in effect and applicable to the Bonds on the date of issuance of the Tax Advantaged Bonds (collectively, the “Code”), and as an inducement to purchasers of the Tax Advantaged Bonds, the District represents, covenants and agrees that:

(a) No person or entity other than the District or another state or local governmental unit will use more than 10% of the proceeds of the refunded bonds or property financed by the refunded bond proceeds other than as a member of the general public. No person or entity other than the District or another state or local governmental unit will own property financed by refunded bond proceeds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangements that conveys other special legal entitlements and differentiates that person’s or entity’s use of such property from use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the refunded bonds. If the District enters into a management contract for District property, the terms of the contract will comply with IRS Revenue Procedure 2017-13, as it may be amended, supplemented or superseded from time

to time, so that the contract will not give rise to private business use under the Code, unless such use in aggregate relates to no more than 10% of the proceeds of the Tax Advantaged Bonds.

(b) No more than 5% of the Tax Advantaged Bond proceeds will be loaned to any entity or person other than a state or local governmental unit. No more than 5% of the Tax Advantaged Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Tax Advantaged Bond proceeds.

(c) The District reasonably expects, as of the date hereof, that the Tax Advantaged Bonds will not meet either the private business use test described in paragraph (a) above or the private loan test described in paragraph (b) above during the entire term of the Tax Advantaged Bonds.

(d) No more than 5% of the proceeds of the Tax Advantaged Bonds will be attributable to private business use as described in (a) or attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any governmental use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(e) Neither the District nor the Board will take any action or fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the Tax Advantaged Bonds pursuant to Section 103 of the Code as applicable, nor will the District or the Board act in any other manner which would adversely affect such exclusion.

(f) It shall not be an event of default under this ordinance if the interest on any Tax Advantaged Bond is not excludable from gross income for federal tax purposes or otherwise

pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Tax Advantaged Bonds.

(g) These covenants are based solely on current law in effect and in existence of the date of delivery of the Tax Advantaged Bonds.

The Board hereby authorizes the officials of the District responsible for issuing the Tax Advantaged Bonds, the same being the President, the Treasurer and the District Manager, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Tax Advantaged Bonds to be arbitrage bonds and to assure that the interest on the Tax Advantaged Bonds will not lose the exclusion from gross income for federal income tax purposes. In connection therewith, the District further agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Tax Advantaged Bonds; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Tax Advantaged Bonds as required pursuant to Section 148 of the Code and the regulations promulgated thereunder; (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 District in such compliance.

The Board is further authorized to make any designations or other elections pursuant to the Code or corresponding regulations necessary with respect to the Tax Advantaged Bonds as necessary upon the advice of its municipal advisor and its bond counsel in each applicable Bond Order.

Section 17. Noncompliance with Tax Covenants. Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance (the “Tax Sections”) which are designed to preserve the exclusion of interest on the Tax Advantaged Bonds from gross income under federal law (the “Tax Exemption”), need not be complied with if the District receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 18. Registered Form. The District recognizes that Section 149(a) of the Code requires the Tax Advantaged Bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Tax Advantaged Bonds are delivered. In this connection, the District agrees that it will not take any action to permit the Tax Advantaged Bonds to be issued in, or converted into, bearer or coupon form.

Section 19. Professional Services. The District shall retain Piper Jaffray & Co., to serve as placement agent or underwriter and Taft Stettinius & Hollister LLP to serve as bond counsel in connection with the issuance of the Bonds.

Section 20. Severability. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

Section 21. Publication. The District Clerk is hereby authorized and directed to publish this ordinance in pamphlet form and to file copies thereof for public inspection in his/her office.

Section 22. Conflicting Ordinances. All ordinances, resolutions and parts of ordinances and resolutions, in conflict herewith are hereby repealed.

Section 23. Headings. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this ordinance.

Section 24. Effective Date. This ordinance shall be in full force and effect from and after its adoption and approval.

ADOPTED this 8th day of October, 2019, pursuant to a roll call vote as follows:

AYES: 5

NAYS: 0

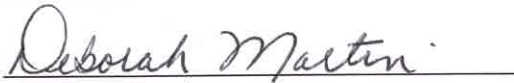
ABSENT: 0

APPROVED by me this 8th day of October, 2019.



Kenneth A Michaels Jr.
President, Board of Trustees
Northern Moraine Wastewater Reclamation District

ATTEST:



Deborah Martin
District Clerk
Northern Moraine Wastewater Reclamation District



STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of Lake, Illinois, and as such official I do further certify that on the __ day of _____, 2019, there was filed in my office a duly certified copy of Ordinance entitled:

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS (ALTERNATE REVENUE SOURCE), SERIES 2019 OF THE NORTHERN MORAINÉ WASTEWATER RECLAMATION DISTRICT, LAKE AND MCHENRY COUNTIES, ILLINOIS, IN AN AGGREGATE AMOUNT OF \$4,200,000.

duly adopted by the Board of Trustees of the Northern Moraine Wastewater Reclamation District, Lake and McHenry Counties, Illinois, on 8th day of October, 2019, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this __ day _____, 2019.

County Clerk of Lake, Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF MCHENRY)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of McHenry, Illinois, and as such official I do further certify that on the __ day of _____, 2019, there was filed in my office a duly certified copy of Ordinance entitled:

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS (ALTERNATE REVENUE SOURCE), SERIES 2019 OF THE NORTHERN MORAINÉ WASTEWATER RECLAMATION DISTRICT, LAKE AND MCHENRY COUNTIES, ILLINOIS, IN AN AGGREGATE AMOUNT OF \$4,200,000.

duly adopted by the Board of Trustees of the Northern Moraine Wastewater Reclamation District, Lake and McHenry Counties, Illinois, on 8th day of October, 2019, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this __ day _____, 2019.

County Clerk of McHenry, Illinois

(SEAL)