

ORDINANCE NO. 15-002

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$2,800,000 TAX ANTICIPATION WARRANTS IN ANTICIPATION OF THE COLLECTION OF TAXES LEVIED FOR TAX YEAR 2014, BY THE VILLAGE OF DOLTON, COOK COUNTY, ILLINOIS, FOR GENERAL CORPORATE AND SPECIAL PURPOSES

WHEREAS, the Village of Dolton, Cook County, Illinois (the "Village"), pursuant to the provisions of Article VII, Section 6(a) of the Constitution of the State of Illinois is a home rule unit and may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt; and

WHEREAS, pursuant to the provisions of Section 6(d) and 6(k) of Article VII of the Constitution, a home rule unit may incur debt payable from *ad valorem* property tax receipts maturing not more than 40 years from the time it is incurred and without referendum approval thereof; and

WHEREAS, there is insufficient money in the treasury of the Village to defray the necessary expenses and liabilities for general corporate and special purposes of the Village; and

WHEREAS, the Village has passed Ordinance No. 14-032 on December 1, 2014, providing for the 2014 real estate tax levy and filed the same with the Office of the Cook County Clerk; and

WHEREAS, the provisions of 65 ILCS 5/8-1-11 and the home rule powers of the Village authorize the Village to issue tax anticipation warrants for the payment of necessary expenses and liabilities thereof for general corporate and special purposes to the extent of 85% of the total amount of the tax so levied; and

WHEREAS, the Mayor and Board of Trustees ("Board of Trustees") of the Village, deems it advisable, necessary and for the best interests of the Village that funds in the amount of not to exceed \$2,800,000 be provided to meet the necessary expenses and liabilities of the Village and for that purpose general obligation warrants in the principal amount of not to exceed \$2,800,000 be issued in anticipation of the collection of the taxes heretofore levied for general corporate and special purposes by the Village for the year 2014:

NOW THEREFORE, BE IT ORDAINED by the Mayor and Board of Trustees of the Village of Dolton, Cook County, Illinois, as follows:

Section 1

There be borrowed on the credit of and on behalf of the Village the sum of not to exceed \$2,800,000 in order to provide a fund to defray the necessary expenses and liabilities of this Village incurred for general corporate and special purposes and in evidence thereof that there be issued general obligation tax anticipation warrants (the "Warrants") in the principal amount of not to exceed \$2,800,000 against and in anticipation of the collection of the taxes levied for the year 2014 by the Village for general corporate and special purposes. The Warrants hereby authorized are not in an amount in excess of 85% of the uncollected 2014 real estate tax levy extended by the Cook County Clerk for general corporate and special purposes.

The Warrants are a general obligation of the Village. For prompt payment of the Warrants, both principal and interest at maturity, the full faith, credit, and resources of the Village are hereby irrevocably pledged. The 2014 real estate taxes are hereby assigned and pledged to the payment of the Warrants, and such taxes when collected, shall be set apart and held for payment of the Warrants.

The Warrants shall be dated as of the date of their issuance, shall be in fully registered form, shall bear the date of authentication, shall be of the denominations of not less than \$100,000 each, shall be numbered from 1 and upward, and shall become due and payable on the date provided on each Warrant, but no later than December 15, 2015, subject to prepayment without penalty at any time as the 2014 taxes are collected.

The Warrants shall bear interest at the rate to be determined by the Village Treasurer, but in any event, not to exceed 4.25% per annum (computed upon the basis of a 365-day year for actual days elapsed) from their dated date until paid. The principal and interest on the Warrants is payable at maturity, subject to prepayment at any time, in lawful money of the United States of America at the principal office of the Village Treasurer of the Village of Dolton, Dolton, Illinois, as paying agent (the "Paying Agent") as shown on the registration books of the Village maintained by the Village Treasurer (the "Warrant Registrar"), by check or draft of the Paying Agent, payable upon presentation, 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 Warrant Registrar.

The Warrants shall show upon their face that they are payable in the numerical order of their issuance solely from the anticipated taxes when these anticipated taxes are collected and not otherwise. Warrants shall be received by any collector of taxes in payment of the taxes in which they are issued, and the taxes against which these Warrants are drawn shall be set apart and held for their payment.

The Warrants shall be signed, registered, and numbered by the manual or facsimile signatures of the Mayor and Village Clerk, and in case any officer whose signature shall appear on any Warrant shall cease to be such officer before the delivery of such Warrant, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Warrants shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Warrant Registrar showing the date of authentication. No Warrant 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 Warrant Registrar by manual signature, and such certificate of authentication upon any such Warrant shall be conclusive evidence that such Warrant has been authenticated and delivered under this Ordinance. The certificate of authentication on any Warrant shall be deemed to have been executed by the Warrant Registrar, if signed by an authorized officer of the Warrant Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Warrants issued herein.

Section 2

The Warrant Registrar shall cause books (the "Warrant Register") for the registration and for the transfer of the Warrants as provided in this Ordinance to be kept at the principal office of the Warrant Registrar. The Village is authorized to prepare, and the Warrant Registrar or such other authorized person as an officer of the Village may designate shall keep custody of, multiple warrant blanks executed by the Village for use in the transfer and exchange of Warrants.

Any Warrant issued shall be transferable in whole and not in part. Upon surrender for transfer of any Warrant at the principal office of the Warrant Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Warrant Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the Village shall execute and the Warrant Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Warrant or Warrants of the same maturity of authorized denomination(s), for a like aggregate principal amount. Any fully registered Warrant or Warrants may be exchanged at said office of the Warrant Registrar for a like aggregate principal amount of Warrant or Warrants of other authorized denomination(s). The execution by the Village of any fully registered Warrant shall constitute full and due authorization of such Warrant, and the Warrant Registrar shall thereby be authorized to authenticate, date and deliver such Warrant; provided, however, the principal amount of outstanding Warrants authenticated by the Warrant Registrar shall not exceed the authorized principal amount of Warrants less principal amounts previously paid.

The person in whose name any Warrant 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 Warrant shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Warrant to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Warrants, but the Village or the Warrant 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 Warrants.

Section 3

The Warrants shall be in substantially the following form:

Number:

\$

UNITED STATES OF AMERICA, STATE OF ILLINOIS, COOK COUNTY
VILLAGE OF DOLTON
2014 GENERAL OBLIGATION TAX ANTICIPATION WARRANT

Interest Rate: _____% Maturity Date: _____ Dated Date: _____

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the Village of Dolton, Cook County, Illinois, (the "Village") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above, and to pay interest (computed on the basis of a 365-day year for actual days elapsed) on such Principal Amount from the Dated Date at the Interest Rate per annum set forth above on the Maturity Date.

The principal and interest of this Warrant is payable in lawful money of the United States of America at the principal office of the Village Treasurer of the Village of Dolton, Dolton, Illinois, as paying agent (the "Paying Agent") as shown on the registration books of the Village maintained by the Village Treasurer (the "Warrant Registrar"), by check or draft of the Paying Agent, payable upon presentation, 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 Warrant Registrar.

This Warrant is one of a series of Warrants issued in an amount not to exceed \$2,800,000 in anticipation of taxes levied for the year 2014 for general corporate and special purposes to provide a fund to meet and defray the necessary expenses of said Village for such purposes, and is payable, both principal and interest, in the numerical order of its issue, from said taxes when these anticipated taxes are collected and not otherwise, which taxes are hereby assigned and pledged to the payment of this Warrant and of all Warrants issued against and in anticipation of such taxes. The total amount of such Warrants does not exceed 85% of the uncollected tax levy made therefor, and this Warrant shall be received by any collector of taxes in payment of the taxes against which it is issued. This Warrant is subject to prepayment at any time without penalty from the 2014 taxes as collected.

This Warrant is a general obligation of the Village. For prompt payment of the Warrants, both principal and interest at maturity, the full faith, credit, and resources of the Village are hereby irrevocably pledged. The 2014 real estate taxes are hereby assigned and pledged to the payment of the Warrants, and such taxes when collected, shall be set apart and held for payment of the Warrants.

The Warrants are issued pursuant to and in all respects in compliance with the provisions of the Illinois Municipal Code, 65 ILCS 5/1-1-1 *et seq.*, Section 6 of Article VII of the 1970 Constitution of the State of Illinois, and Ordinance No. _____ (the "Ordinance"), which has been duly and properly passed by the Board of Trustees and approved by the Mayor in all respects as provided by law.

The Warrants are issued in fully registered form in the denominations of not less than \$100,000. This Warrant may be exchanged at the principal office of the Warrant Registrar for a like aggregate principal amount of Warrants of the same maturity of other authorized denominations upon the terms set forth in the Ordinance.

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

This Warrant is transferable in whole and not in part by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Warrant Registrar but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Warrant. Upon such transfer a new Warrant or Warrants of authorized denomination(s) of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Village, the Paying Agent and the Warrant Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest

due hereon and for all other purposes; and the Village, the Paying Agent and the Warrant Registrar shall not be affected by any notice to the contrary.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Warrant did exist, have happened, been done and performed in regular and due form and time as required by law.

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

IN WITNESS WHEREOF, the Village of Dolton, Cook County, Illinois, has caused this Warrant to be signed by the duly authorized manual or facsimile signatures of the Mayor and Village Clerk, all as appearing hereon and as of the Dated Date as identified above.



Mayor



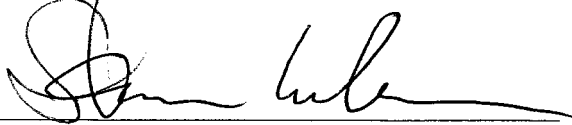
Village Clerk

Date of Authentication: Jan 6, 2015

CERTIFICATE
OF
AUTHENTICATION

Warrant Registrar
and Paying Agent: Village Treasurer,
Village of Dolton

This Warrant is one of the Warrants of the issue described in the within mentioned Ordinance.

By: 

Village Treasurer, as Warrant Registrar

Section 4

The Warrants hereby authorized shall be sold at a price of 100% of par plus accrued interest (if any) to date of delivery, to MB Financial Bank, N.A. (the "Purchaser") it being hereby found and determined that said sale is in the best interests of the Village and that no person holding any office of the Village either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in said sale or the purchase of the Warrants.

The Village is hereby authorized to enter into a tax escrow agreement with the Purchaser to provide that all of the 2014 real estate taxes (except those for debt service) shall be paid by the Cook County Treasurer directly to an account maintained with the Purchaser, and that the Purchaser shall have the right and authority to debit said tax escrow account at any time to provide funds for the payment of principal and interest on the Warrants.

Section 5

That the principal proceeds of the sale of the Warrants shall be devoted to and used for the purpose of providing moneys with which to meet ordinary and necessary disbursements of the Village. The Board of Trustees represents and certifies that:

- (1) the Warrants will not be issued in an amount which will be greater than the maximum anticipated cumulative cash flow deficit for the period of December 1, 2014 through January 1, 2016;
- (2) Warrant proceeds will be used with due diligence for the purpose therefor;
- (3) it is expected that the Warrants will not be outstanding for a period greater than 13 months from the date thereof;
- (4) all of the principal proceeds of the sale of the Warrants are needed for the purpose of paying the necessary expenses and liabilities of the Village;
- (5) accrued interest (if any) received upon the sale of the Warrants will be applied to the first interest due thereon; and
- (6) to the best knowledge and belief of the Board of Trustees, there are no facts, estimates or circumstances that would materially change the conclusions and representations set out in this Section.

The Board of Trustees also certifies and further covenants with the purchasers and holders of the Warrants from time to time outstanding that so long as any of the Warrants remain outstanding,

moneys on deposit in any fund or account in connection with the Warrants, whether or not such moneys were derived from the proceeds of the sale of the Warrants or from any other sources, will not be used in a manner which will cause the Warrants to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, (the "Code"), as amended, and any lawful regulations promulgated or proposed thereunder or may from time to time hereafter be amended, supplemented or revised.

The Village will not take any action or fail to take any action with respect to the Warrants that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds pursuant to Section 103 of the Code, nor will the Village act in any other matter which would adversely affect such exclusion.

The Board of Trustees reserves the right, however, to make any investment of such moneys permitted by Illinois law, if, when and to the extent that said Section 148 of the Code or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the opinion of counsel of recognized competence in such matters, result in making the interest on said Warrants subject to federal income taxation.

The Village hereby authorizes the officials of the Board responsible for issuing the Warrants, the same being the Mayor and Village Clerk of the Village, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Warrants to be arbitrage bonds and to assure that the interest in the Warrants will be exempt from federal income taxation. In connection therewith, the Village 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 bond counsel approving the Warrants 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 Warrants; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

Section 6

None of the Warrants is a "private activity bond" as defined in Section 141(a) of the Code. In support of such conclusion, the Village certifies, represents and covenants as follows:

- (1) None of the proceeds of the Warrants are to be used, directly or indirectly, in any trade of business carried on by any person other than a state or local governmental unit.
- (2) No direct or indirect payments are to be made on any Warrant with respect to any private business use by any person other than a state or local governmental unit other than generally as a rate payer.
- (3) None of the proceeds of the Warrants are to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.
- (4) No user of any equipment or improvement purchased from the Warrant proceeds, other than the Village, will use the same on any basis other than the same basis as the general public; and no person will be a user thereof as a result of (i) ownership or (ii) actual or beneficial use pursuant to a lease, a management or incentive payment contract, or (iii) any other arrangement.

Section 7

The Village recognizes the provisions of Section 265(b)(3) of the Code which provide that a "qualified tax-exempt obligation" as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The Village hereby designates each of the Warrants as may be from time to time outstanding for purposes of Section 265(b)(3) of the Code as a "qualified tax-exempt obligation" as provided therein. In support of such designation, the Village certifies, represents and covenants as follows:

- (1) The Warrants are not "private activity bonds" as defined in Section 141(a) of the Code.
- (2) Including the Warrants, the Village (including any entities subordinate thereto) has not and does not reasonably expect to issue in excess of \$10,000,000 in "qualified tax-exempt obligations" (other than "private activity bonds") (as such terms are defined in the Code) during 2014.
- (3) Including the Warrants, not more than \$10,000,000 of obligations issued by the Village (including any entities subordinate thereto) during the calendar year of issuance of the Warrants have been to date or will be designated by the Village for purposes of said Section 265(b)(3).

Section 8

The Village recognizes that Section 149(j) of the Internal Revenue Code of 1986, as amended, requires the Warrants 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 Warrants are delivered. The Village will not take any action to permit the Warrants to be issued in, or converted into, bearer or coupon form.

Section 9

The Warrant Registrar shall maintain a list of the names and addresses of the owners of all Warrants, and upon any transfer shall add the name and address of the new Registered Owner and eliminate the name and address of the transferor Registered Owner.

Section 10

The Mayor and Village Clerk 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. This Ordinance is passed in accordance with the powers of the Village as a home rule unit under Article VII of the 1970 Illinois.

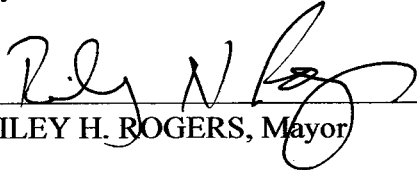
Section 11

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 12

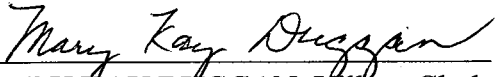
This ordinance shall be in full force and effect after passage and approval.

PASSED AND APPROVED this 1st day of December, 2014.



RILEY H. ROGERS, Mayor

ATTEST:



MARY KAY DUGGAN, Village Clerk

Ayes: 5 Bendell, Brown, Henyard, Hunt, Pierson

Nays: 0

Absent: 1 Smith

Abstain: 0