

ORDINANCE NO. 2026-02

**AN ORDINANCE APPROVING A LOAN AGREEMENT AND
NOTE RELATING TO A LOAN FROM RURAL WATER
FINANCING AGENCY TO PROVIDE INTERIM
CONSTRUCTION FINANCING FOR IMPROVEMENTS TO THE
WATERWORKS SYSTEM.**

WHEREAS, the Village of Brighton, Macoupin and Jersey Counties, Illinois (the "Village") is a duly organized and existing non-home rule unit of government and municipality of the State of Illinois and is now operating under the provisions of the Illinois Municipal Code, as amended, and operates a municipally owned waterworks system (the "System") pursuant to Division 129 of Article 11 of the Municipal Code (the "Act") that serves the Village and its inhabitants and others within its service area; and

WHEREAS, the Village is authorized under the provisions of the Act and the Local Government Debt Reform Act, as amended, to issue and sell obligations for the purpose of providing funds to acquire, construct, extend and improve the System within the Village, including replacing water mains (the "Project"), provided that the principal of and interest on such obligations shall be payable solely from the revenue derived from the operation of the System; and

WHEREAS, the Board of Trustees of the Village, on the 7th day of July, 2025 adopted Ordinance No. 2025-11 (the "Authorizing Ordinance"), authorizing the issuance of waterworks system revenue bonds in an aggregate principal amount of not to exceed \$4,995,000; and

WHEREAS, on the 7th day of July, 2025, the Authorizing Ordinance, which included therein a notice in the statutory form, was published in the *Southwestern Journal News*; and

WHEREAS, more than thirty (30) days expired from the date of publication of the Authorizing Ordinance and said notice, and no petition with the requisite number of valid signatures thereon was filed with the Village Clerk requesting that the question of the issuance of the waterworks system revenue bonds be submitted to referendum; and

WHEREAS, the estimated cost of the Project is \$6,350,000 and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, the Village has approved the issuance of revenue bonds for the Project in an amount not to exceed \$4,995,000; and

WHEREAS, the Village deems it advisable and appropriate to finance on an interim basis through Rural Water Financing Agency the costs of the Project, which will be permanently financed through the United States of America, Department of Agriculture, Rural Development; and

WHEREAS, the Village now desires to approve certain documents to evidence and secure the loan from Rural Water Financing Agency;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF BRIGHTON, MACOUPIN AND JERSEY COUNTIES, ILLINOIS, AS FOLLOWS:

Section 1. Authorization and Approval of Loan Agreement. The Loan Agreement and Note between the Village and the Rural Water Financing Agency (the "Loan Agreement") is hereby approved in substantially the form presented to and reviewed by the Board of Trustees at this meeting with such changes therein as shall be approved by the officer of the Village executing the Loan Agreement, such officer's signature thereon being conclusive evidence of his or her approval and the Village's approval thereof.

Section 2. Execution of Loan Agreement. The Village President is hereby authorized and directed to execute and deliver the Loan Agreement for and on behalf of and as the act and deed of the Village.

Section 3. Further Authority. The Village hereby authorizes and empowers the officers and representatives of the Village to do all such acts and things and to execute, acknowledge and deliver all such documents as may in their discretion be deemed necessary or desirable in order to carry out or comply with the terms and provisions of this Ordinance in connection with the approval of the Loan Agreement. All of the acts and undertakings of such officers and representatives that are in conformity with the intent and purposes of this Ordinance, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved.

Section 4. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the Board of Trustees and approval by the Village President.

ADOPTED by the Board of Trustees of the Village of Brighton, Macoupin and Jersey Counties, Illinois on the 2nd day of February, 2026.

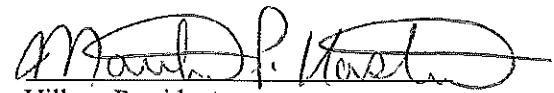
Aye: Aaron Mead - Motion, Jim Winstude - 2nd, Bradley Arnold, Christy Jones, .
Don Little

Nay: Q

Absent: Marcella Wilfong

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APPROVED by me, as Village President of the Village of Brighton, Macoupin and Jersey Counties, Illinois on the 2nd day of February, 2026.


Mark P. Herst
Village President

PASSED by the Board of Trustees of the Village of Brighton, Macoupin and Jersey Counties, Illinois on the 2nd day of February, 2026.

Attest: 
Tamara Jenkins
Village Clerk

(SEAL)

LOAN AGREEMENT AND NOTE

By and Between

RURAL WATER FINANCING AGENCY

and

VILLAGE OF BRIGHTON, MACOUPIN AND JERSEY COUNTIES, ILLINOIS
Borrower

dated _____, 2026



Section 4.7	General.....
Section 4.8	Designation of Authorized Officers.....

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Section 5.5	Consent to Powers of Agency Under this Loan Agreement.....
Section 5.6	Non-Waivers by Agency.....
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ARTICLE VI

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Section 6.3	Binding Effect.....
Section 6.4	Severability
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Section 6.6	Applicable Law
Section 6.7	Captions
Section 6.8	Notices
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Signatures.....

Exhibit A	Terms and Provisions
Exhibit B	Requisition for Funds Form
Exhibit C	Opinion of Counsel to Borrower
Exhibit D	RD Commitment Letter
Exhibit E	Trustee Bank Forms

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

"Engineers" means the firm of consulting engineers employed by the Borrower in connection with the Project, as identified in the Term Sheet.

"Governing Body" means the legislative body which serves as the governing authority of the Borrower under the laws of State at any given time.

"Immediate Notice" means notice given by telecopy, telegraph or other electronic means, promptly confirming in writing in accordance with the requirements of this Loan Agreement.

"Indenture" means the Trust Indenture dated as of November 9, 2021, between the Agency and the Trustee, as supplemented and further amended from time to time.

"Interest Rate" means the Interest Rate set forth and described in the Term Sheet.

"Investment Earnings" means interest earned on amounts on deposit in the Borrower's Account.

"Loan" means the loan effected pursuant to this Loan Agreement.

"Loan Agreement" means this Loan Agreement and Note made and entered into by and between the Borrower and the Agency, providing for a Loan to the Borrower by the Agency, and for the repayment thereof to the Agency by the Borrower.

"Loan Amount" means the principal amount of the Loan as set forth and described in the Term Sheet.

"Loan Payment Date" means any payment date as set forth in the Term Sheet relating to the Loan, including the date of the final payment of principal and interest made on the Loan.

"Loan Payments" means all payments required to be made to the Agency by the Borrower under this Loan Agreement.

"Maturity Date" means the maturity date set forth and described in the Term Sheet.

"Permanent Financing" means bonds, notes or obligations issued by the Borrower and delivered to RD as purchaser.

"Permanent Financing Documents" means loan documents or any instruments, proceedings or other documentation authorizing the issuance of or securing the payment of the Permanent Financing, as described in Section 2.3 hereof.

"Person" means any individual, firm, partnership, association, corporation, limited liability company, public agency or governmental entity.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of Agency. The Agency represents and warrants for the benefit of the Borrower as follows:

(a) The Agency is an interlocal agency established and created under the Act, has all necessary power and authority to enter into, and perform its obligations under, this Loan Agreement, and has duly authorized the execution and delivery of this Loan Agreement.

(b) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Agency is now a party or by which the Agency is bound, or constitutes a default under any of the foregoing.

(c) To the knowledge of the Agency, there is no litigation or proceeding pending or threatened against the Agency or any other person affecting the right of the Agency to execute or deliver this Loan Agreement or to comply with its obligations under this Loan Agreement. Neither the execution and delivery of this Loan Agreement by the Agency, nor compliance by the Agency with its obligations under this Loan Agreement, require the approval of any regulatory body, or any other entity, which approval has not been obtained.

(d) The authorization, execution and delivery of this Loan Agreement and all actions of the Agency with respect thereto, are in compliance with the Act and any regulations issued thereunder.

Section 2.2. Representations and Warranties of Borrower. The Borrower hereby represents and warrants for the benefit of the Agency as follows:

(a) The Borrower is a duly organized and validly existing Public Agency with full power to own its properties, conduct its affairs, enter into this Loan Agreement and consummate the transactions contemplated hereby.

(b) The negotiation, execution and delivery of this Loan Agreement and the consummation of the transactions contemplated hereby have all been duly authorized by requisite action of the Governing Body of the Borrower.

(c) This Loan Agreement has been duly executed and delivered by the Borrower and are valid and binding obligations of the Borrower enforceable in accordance with their terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(b) The Borrower is not in breach of or in default under any of the provisions of the loan documents or any instruments, proceedings or other documentation authorizing the issuance of or securing the payment of the Permanent Financing (the "Permanent Financing Documents").

(c) The execution and delivery of the Permanent Financing Documents and the compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the Borrower a breach of or default under any contract, agreement, instrument, indenture or proceedings or any law, regulation, court order or consent decree to which the Borrower is now subject.

(d) The Permanent Financing Documents have been or shall be duly authorized, executed and delivered by the Borrower and will be valid and binding obligations of the Borrower.

(e) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body known to be pending or threatened against the Borrower in any way contesting or affecting any authority for the issuance of or the validity of the Permanent Financing or the Permanent Financing Documents or in any way adversely affecting the transactions contemplated thereby.

(f) The Borrower will comply in all respects with the terms and provisions of the Permanent Financing Documents.

(g) The Borrower will promptly remit, in accordance with the provisions of this Loan Agreement and the Permanent Financing Documents, each disbursement from its Borrower's Account to the person or persons to whom payment is then due and owing.

(h) The Borrower will not unilaterally terminate, or enter into any agreement to terminate, any of the Permanent Financing Documents and will give to the Agency and the Trustee prompt written notice, appropriately documented, of any material amendment to or modification of any of the Permanent Financing Documents.

- (i) amounts remaining in its Borrower's Account on the date the Loan is paid in full and
- (ii) Investment Earnings, if any.

Section 3.4. Covenant Regarding Permanent Financing. The Borrower does hereby separately covenant that if for any reason RD fails to provide the Permanent Financing by accepting delivery thereof on or before the Maturity Date, the Borrower shall continue to pay interest on the Loan at the rate set forth in Section 3.2 from amounts in its Borrower's Account or its own funds, as determined by the Agency, and if RD has not purchased the Permanent Financing by the Maturity Date, the Borrower shall pay the Loan in full on such date. Such payment shall be affected from the proceeds of other temporary or Permanent Financing or other borrowing of whatever nature or from any other legally available funds of the Borrower.

The Borrower will give to the Agency and the Trustee prompt written notice, appropriately documented, of any modification, suspension, termination, annulment or other change in status of the RD commitment for Permanent Financing. In such event, the Agency shall provide express written instructions to the Trustee specifically detailing to the Trustee the manner in which the duties of the Trustee under the Indenture will change as a result of such modification, suspension, annulment or other change.

Section 3.5. Conversion to RD Multiple Advance Loan. This Loan Agreement may be assigned to RD in the event that the Agency Notes are required to be called for redemption, as described in the Indenture. In such event, the Agency or its designee will notify the Borrower that this Loan Agreement will be assigned to RD, and the effective date of such assignment, which notification shall be not less than 14 days prior to the assignment date. On or before such assignment date, RD will cause the full amount of the Borrower's Loan Payment (as of such assignment date) to be wired to the Borrower's construction fund, and the Borrower agrees that it will immediately wire such funds to the Trustee, as directed by the Agency. On such assignment date, and without further action of the Borrower, the Agency or RD, the Agency shall be deemed to have assigned to RD, and RD shall be deemed to have assumed, the Agency's rights under this Loan Agreement. Thereafter, the Loan Agreement shall bear interest at the then-applicable RD multiple-advance rate in effect for the Borrower.

Section 4.4. Completion of Project. The Borrower hereby covenants and agrees to proceed expeditiously with and promptly complete the Project in accordance with the plans, designs and specifications prepared by the Engineers for the Borrower so that the Permanent Financing can be delivered on or prior to the Maturity Date.

Section 4.5. Tax Covenant. The Borrower shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Agency in order to accomplish the foregoing. The Borrower shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business, (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business, (iii) any management agreement for the operation of the Project any system of which it is a part, or (iv) any federal guarantee of its obligations hereunder without the prior written consent of the Agency.

The Borrower covenants and agrees, from time to time, to pay any and all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or actual Treasury Regulations, as may be applicable to the Loan. This covenant shall survive payment in full of the Loan but shall terminate upon notification by the Agency to the Borrower that no rebate is due and owing.

Section 4.6. Accounts and Reports. The Borrower shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Project, which shall at all reasonable times be subject to the inspection of the Agency.

Section 4.7. General. The Borrower shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Borrower under the provisions of any agreements regarding the Permanent Financing and this Loan Agreement in accordance with the terms of such provisions.

Section 4.8. Designation of Authorized Officers. The Borrower shall provide the Agency and the Trustee with a written certificate of its Authorized Officers who are designated to act on behalf of the Borrower for purposes of this Loan Agreement and for the Requisition for Funds.

Section 5.3. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Agency under this Loan Agreement, the Agency shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and all receipts therefrom, pending such proceedings, with such power as the court making such appointment shall confer; provided, however, that the Agency may, with or without action under this Section, pursue any available remedy to enforce the payment obligations hereunder, or to remedy any Event of Default.

Section 5.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Agency is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 5.5. Consent to Powers of Agency Under this Loan Agreement. The Borrower hereby acknowledges to the Agency its understanding of the provisions of this Loan Agreement, vesting in the Agency certain powers, rights and privileges in respect of the Project upon the occurrence of an Event of Default, and the Borrower hereby covenants and agrees that if the Agency should in the future have recourse to said rights and powers, the Borrower shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Agency in the due and prompt implementation of this Loan Agreement.

Section 5.6. Non-Waivers by Agency. No failure by the Agency or by any assignee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of any payment hereunder, in full or in part, during the continuance of such breach, shall constitute waiver of such breach or of such term. No waiver of any breach shall affect or alter this Loan Agreement or constitute a waiver of a then existing or subsequent breach.

Section 5.7. Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto is in default under any of the provisions hereof and the nondefaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party.

principal of and interest due hereunder to such Loan Payment Date; and (b) informs the Agency and the Trustee of its intention to prepay its obligations hereunder on such Loan Payment Date; and if the Borrower shall also pay or cause to be paid all other sums payable hereunder by the Borrower with respect to this Loan Agreement, or make adequate provision therefor, then and in that case the indebtedness evidenced by this Loan Agreement shall be discharged and satisfied and all covenants, agreements and obligations of the Borrower hereunder shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

Section 6.10. No Liability of Agency's and Borrower's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, past, present or future, of the Agency or the Borrower, either directly or through the Agency or the Borrower. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer is hereby expressly waived and released by the Borrower and the Agency against the other's incorporators, members, directors or officers as a condition of and consideration for the execution of this Loan Agreement.

EXHIBIT A

TERMS AND PROVISIONS

EXHIBIT A (continued)

Contact Information:

Borrower

Contact Name: Kaleb Kahl
Address: 206 S. Main Street, Brighton, IL 62012
Phone: (618) 614-0828
Email: kkahl@brightonill.com

Engineer or Architect

Firm: Heneghan Associates
Contact Name: Blaine Hanneken
Phone: (618) 556-3090
Email: bhanneken@heneghanassoc.com

Borrower Counsel

Firm: Gilmore & Bell
Contact Name: Sean Flynn and Rachael DeWitt
Phone: (217) 417-2788
Email: sflynn@gilmorebell.com
Email: rdewitt@gilmorebell.com

Certificate of Consulting Engineers as to
Payment Request No. _____

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Borrower submitting this request and that all expenses represented in this request were duly incurred for the Construction of the "Project," and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Consultant

Firm Name _____

By _____

Title _____

APPROVED:

USDA, Rural Development

By _____

Title _____

deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

(4) The execution and delivery of the Loan Agreement and the performance by the Borrower of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Borrower, or any of its properties or assets. The Borrower has obtained or is able to obtain such authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Borrower of the Loan Agreement.

(5) To the best of my knowledge after due inquiry, there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Borrower, (ii) the right or title of the members and officers of the Borrower to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Loan Agreement or the application of any monies or security therefor, (iv) the construction of the Project, or (v) that would have a material adverse impact on the ability of the Borrower to perform its obligations under the Loan Agreement.

(6) None of the proceedings taken by the Borrower for the authorization, execution or delivery of the Loan Agreement has been repealed, rescinded, or revoked.

(7) All proceedings and actions of the Borrower with respect to which the Loan Agreement is to be delivered were taken at meetings properly convened and held in substantial compliance with the applicable provisions of the laws of the State.

Very truly yours,

EXHIBIT E
TRUSTEE BANK FORMS

**VILLAGE OF BRIGHTON, MACOUPIN AND JERSEY COUNTIES,
ILLINOIS (The Borrower")
INCUMBENCY CERTIFICATE FOR AUTHORIZED REPRESENTATIVE**

The undersigned, _____ being the
(*name of person*)

_____ of Village of Brighton, Macoupin and Jersey Counties, Illinois (the
"Borrower")
(*title*)

does hereby certify that (1) the individuals listed below are qualified and acting officers of the Borrower, (2) the signature appearing opposite the name of each officer is a true specimen of the genuine signature of such officer, and (3) such individuals have the authority to provide written direction/confirmation and receive callbacks at the phone number(s) noted below and execute documents to be delivered to, or upon the request of Regions Bank. Regions Bank may rely conclusively upon the certification of the authority of the officers named in this Certificate in connection with all transactions to which the Issuer is a party with Regions Bank until such time as the Borrower (i) expressly revokes this Certificate in writing or (ii) provides a revised Certificate; in order to be effective, either must be delivered to Regions Bank at the addresses provided in the related governing documents.

Name	Title	Signature	Phone Number for Callback

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this certificate

as of _____.



Name: _____

Title:

(NOTE: THIS MAY NOT BE ONE OF THE OFFICERS LISTED ABOVE)

*SUBMIT: FAX TO THE ATTENTION OF Daniel Olson AT 615-770-4350, OR EMAIL AT
DANIEL.OLSON@REGIONS.COM*