

The City Council of the City of Mattoon held a regular meeting in the City Hall Council Chambers on May 2, 2017.

Mayor Gover presided and called the meeting to order at 6:30 p.m.

Mayor Gover led the Pledge of Allegiance.

City Clerk O'Brien administered the Oath of Office to Newly Elected Council.

The following members of the Council answered roll call physically present: YEA Commissioner Dave Cox, YEA Commissioner Sandra Graven, YEA Commissioner Rick Hall, YEA Commissioner Preston Owen, and YEA Mayor Tim Gover.

Also physically present were City personnel: City Administrator Kyle Gill, City Attorney Daniel C. Jones, Finance Director/Treasurer Beth Wright, Public Works Director Dean Barber, Police Chief Jeff Branson, Arts & Tourism Director Angelia Burgett (6:31p.m.), and City Clerk Susan O'Brien.

CONSENT AGENDA

Mayor Gover seconded by Commissioner Hall moved to approve the consent agenda consisting of minutes of the regular meeting April 18, 2017; Fire Department Report for the month of March, 2017; bills and payroll for the last half of April, 2017.

Bills & Payroll **last half of April, 2017**

		<u>General Fund</u>	
Payroll		\$	279,745.43
Bills		\$	<u>110,265.76</u>
	Total	\$	390,011.19
		<u>Hotel Tax Administration</u>	
Payroll		\$	3,118.61
Bills		\$	<u>2,777.01</u>
	Total	\$	5,895.62
		<u>Festival Mgt Fund</u>	
Bills		\$	<u>668.82</u>
	Total	\$	668.82
		<u>Insurance & Tort Jdgmnt</u>	
Bills		\$	<u>6,816.00</u>
	Total	\$	6,816.00
		<u>Midtown TIF</u>	
Bills		\$	<u>3,733.44</u>
	Total	\$	3,733.44
		<u>Capital Project</u>	
Bills		\$	<u>92,706.21</u>
	Total	\$	92,706.21

	<u>Broadway East Bus Dist</u>		
Bills		\$	80,943.75
	Total	\$	80,943.75
	<u>Water Fund</u>		
Payroll		\$	37,876.32
Bills		\$	20,156.96
	Total	\$	58,033.28
	<u>Sewer Fund</u>		
Payroll		\$	43,144.84
Bills		\$	33,773.75
	Total	\$	76,918.59
	<u>Health Insurance Fund</u>		
Bills		\$	99,895.48
	Total	\$	99,895.48
	<u>Motor Fuel Tax Fund</u>		
Bills		\$	12,456.93
	Total	\$	12,456.93
	<u>Revolving Loan</u>		
Bills		\$	540.00
	Total	\$	540.00

Mayor Gover opened the floor for questions/comments with no response.

Mayor Gover declared the motion to approve consent agenda carried by the following vote: YEA Commissioner Cox, YEA Commissioner Graven, YEA Commissioner Hall, YEA Commissioner Owen, YEA Mayor Gover.

PRESENTATIONS, PETITIONS AND COMMUNICATIONS

Mayor Gover introduced proposed city attorney Daniel C. Jones and welcomed him.

Mr. Bill Duey from Fit -to-Serve updated the Council on recent community development activities including “farm to table” gardens; announced plans for two additional community gardens; and requested the City’s assistance with providing water supplies. Mayor Gover asked Mr. Duey to speak with Administrator Gill and Director Barber. Director Barber noted a one yard spicket is used, land in front of Sunrise Apartments which is hay farmed, but not being used for anything else. Mayor Gover expressed his appreciation of Dr. Duey’s involvement and helping of children. Commissioner Graven noted their planting of sunflowers last year.

NEW BUSINESS

Mayor Gover seconded by Commissioner Cox moved to adopt Resolution No. 2017-2988, assigning members of the City Council to departments for the administration of the municipal government.

**CITY OF MATTOON, ILLINOIS
RESOLUTION NO. 2017-2988**

**A RESOLUTION ASSIGNING MEMBERS OF THE CITY COUNCIL TO DEPARTMENTS
FOR THE ADMINISTRATION OF THE MUNICIPAL GOVERNMENT**

BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF MATTOON, COLES COUNTY, ILLINOIS, as follows:

BE IT RESOLVED that the powers and duties of the Commissioners assigned to the following Departments were established by Ordinance 2009-5277, adopted May 05, 2009 for the administration of the municipal government of the City of Mattoon, Coles County, Illinois:

- (A) Department of Public Affairs,
- (B) Department of Accounts and Finances,
- (C) Department of Streets and Public Improvement,
- (D) Department of Public Property
- (E) Department of Public Health and Safety.

BE IT FURTHER RESOLVED that the following members of the City Council are assigned to the foregoing Departments:

- (A) Tim Gover to the Department of Public Affairs.
- (B) J. Preston Owen to the Department of Accounts and Finances.
- (C) Sandra Graven to the Department of Streets and Public Improvement.
- (D) Dave Cox to the Department of Public Property.
- (E) Rick Hall to the Department of Public Health and Safety.

Upon motion by Mayor Gover, seconded by Commissioner Cox, adopted this 2nd day of May, 2017 by a roll call vote, as follows:

AYES (Names): Commissioner Cox, Commissioner Graven,
 Commissioner Hall, Commissioner Owen,
 Mayor Gover
NAYS (Names): None
ABSENT (Names): None

Approved this 2nd day of May, 2017.

/s/Tim Gover
Tim Gover, Mayor
City of Mattoon, Coles County, Illinois

ATTEST:

APPROVED AS TO FORM:

/s/Susan J. O'Brien
Susan J. O'Brien, City Clerk

/s/Daniel C. Jones
Daniel C. Jones, City Attorney

Recorded in the Municipality's Records on May 2, 2017 .

Mayor Gover mentioned all Department Heads were continuing as with the prior Council.

Mayor Gover declared the motion carried by the following vote: YEA Commissioner Cox, YEA Commissioner Graven, YEA Commissioner Hall, YEA Commissioner Owen, YEA Mayor Gover.

Mayor Gover seconded by Commissioner Graven moved to adopt Resolution No. 2017-2989, appointing Susan J. O'Brien to the Office of City Clerk and Beth Wright to the Office of City Treasurer.

CITY OF MATTOON, ILLINOIS
RESOLUTION NO. 2017-2989

**A RESOLUTION APPOINTING SUSAN J. O'BRIEN TO THE OFFICE OF CITY CLERK AND
BETH WRIGHT TO THE OFFICE OF CITY TREASURER**

WHEREAS, the status of appointed officers of the municipality are traditionally re-evaluated after the election of new members to the City Council; and

WHEREAS, it is necessary to appoint a municipal clerk and treasurer at the first regular or special meeting of a newly-elected City Council to enable the business of the municipal corporation to continue without interruption.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF MATTOON, COLES COUNTY, ILLINOIS as follows:

Section 1. The Council hereby ratifies the mayor's appointment of Susan J. O'Brien to the Office of City Clerk.

Section 2. The Council hereby ratifies the mayor's appointment of Beth Wright to the Office of City Treasurer.

Upon motion by Mayor Gover, seconded by Commissioner Graven, adopted this 2nd day of May, 2017 by a roll call vote, as follows:

AYES (Names): Commissioner Cox, Commissioner Graven,
 Commissioner Hall, Commissioner Owen,
 Mayor Gover
NAYS (Names): None
ABSENT (Names): None

Approved this 2nd day of May, 2017.

/s/Tim Gover
Tim Gover, Mayor

City of Mattoon, Coles County, Illinois

ATTEST:

APPROVED AS TO FORM:

/s/Susan J. O'Brien
Susan J. O'Brien, City Clerk

/s/Daniel C. Jones
Daniel C. Jones, City Attorney

Mayor Gover opened the floor for questions/comments/discussion with no response.

Mayor Gover declared the motion carried by the following vote: YEA Commissioner Cox, YEA Commissioner Graven, YEA Commissioner Hall, YEA Commissioner Owen, YEA Mayor Gover.

Commissioner Owen seconded by Commissioner Cox moved to adopt Resolution No. 2017-2990, designating the depositories in which the funds or moneys of the City may be deposited.

CITY OF MATTOON, ILLINOIS

RESOLUTION NO. 2017-2990

A RESOLUTION DESIGNATING DEPOSITORIES FOR FUNDS AND MONEYS OF THE CITY OF MATTOON, ILLINOIS

WHEREAS, pursuant to the terms of an Act of the General Assembly of the State of Illinois adopted and now in force and effect, it is required that a designation be made of a bank or banks, or other depository in which the funds and monies in the custody of the City Treasurer of the City of Mattoon, Illinois, may be deposited.

NOW, THEREFORE, BE IT RESOLVED by the City Council for the City of Mattoon, Coles County, Illinois, that all banks and financial institutions with facilities within the city limits of Mattoon, the Illinois Funds, Illinois National Bank, Wells Fargo, and Illinois Metropolitan Investment Fund (IMIF) are hereby designated depositories in which the funds and moneys of the City of Mattoon, Illinois, in the custody of the City Treasurer of the City of Mattoon, Illinois, may be deposited.

BE IT FURTHER RESOLVED that no bank herein designated as a depository shall be qualified to receive such funds or moneys until it has furnished the City of Mattoon with copies of the two last sworn statements of Resources and Liability, which such bank is required to furnish to the Auditor of Public Accounts, or to the Comptroller of Currency.

BE IT FURTHER RESOLVED that each bank designated as depository for such funds or moneys shall furnish the City Council of the City of Mattoon with a copy of all bank statements, which it is required to furnish to the Auditor of Public Accounts, or the Comptroller of Currency, while acting as such depository.

BE IT FURTHER RESOLVED that if such funds or moneys are deposited in a bank herein designated as a depository, the amounts of such deposits shall not exceed 75% of the capital stock and

surplus of such banks, and the City Treasurer shall not be discharged from responsibility for any such funds or moneys deposited in any bank in excess of such limitation.

BE IT FURTHER RESOLVED that the depositories mentioned herein have furnished that body with copies of their past two statements as furnished to the Comptroller of Currency, or Auditor of Public Accounts, which statements are approved and accepted.

Upon motion by Commissioner Owen, seconded by Commissioner Cox, adopted this 2nd day of May, 2017 by a roll call vote, as follows:

AYES (Names): Commissioner Cox, Commissioner Graven,
Commissioner Hall, Commissioner Owen,
Mayor Gover
NAYS (Names): None
ABSENT (Names): None

Approved this 2nd day of May, 2017.

/s/Timothy D. Gover
Timothy D. Gover, Mayor
City of Mattoon, Coles County, Illinois

ATTEST:

APPROVED AS TO FORM:

/s/Susan J. O'Brien
Susan J. O'Brien, City Clerk

/s/Daniel C. Jones
Daniel C. Jones, City Attorney

Mayor Gover opened the floor for questions/comments/discussion with no response.

Mayor Gover declared the motion carried by the following vote: YEA Commissioner Cox, YEA Commissioner Graven, YEA Commissioner Hall, YEA Commissioner Owen, YEA Mayor Gover.

Commissioner Owen seconded by Commissioner Graven moved to adopt Resolution No. 2017-2991, authorizing the Mayor, City Treasurer and City Clerk to sign checks by facsimile signature.

CITY OF MATTOON, ILLINOIS

RESOLUTION NO. 2017-2991

A RESOLUTION AUTHORIZING THE MAYOR, TREASURER AND CITY CLERK TO SIGN CHECKS BY STAMPED SIGNATURE

BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF MATTOON, COLES COUNTY, ILLINOIS THAT THE MAYOR, CITY TREASURER AND CITY CLERK ARE HEREBY AUTHORIZED TO SIGN CHECKS ISSUED BY THE CITY OF MATTOON BY

RESOLUTION NO. 2017-2993

A RESOLUTION APPOINTING DANIEL C. JONES TO THE OFFICE OF CITY ATTORNEY AND AUTHORIZING THE EXECUTION OF THE LEGAL SERVICES AGREEMENT FOR THE CITY ATTORNEY POSITION

WHEREAS, the status of appointed officers of the municipality are traditionally re-evaluated after the election of new members to the City Council; and

WHEREAS, Daniel C. Jones has served as an Attorney for the past 23 years and has presided over City Court in the past; and,

WHEREAS, it is necessary to appoint an attorney to enable the business of the municipal corporation to continue.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF MATTOON, COLES COUNTY, ILLINOIS as follows:

Section 1. The Council hereby ratifies the mayor's appointment of Daniel C. Jones to the office of City Attorney effective May 1, 2017.

Section 2. The Council hereby approves the letter of engagement prepared by Daniel C. Jones regarding services as the City of Attorney (Exhibit A).

Upon motion by Mayor Gover, seconded by Commissioner Cox, adopted this 2nd day of May, 2017 by a roll call vote, as follows:

AYES (Names): Commissioner Cox, Commissioner Graven,
Commissioner Owen, Mayor Gover
NAYS (Names): None
ABSENT (Names): None
ABSTAIN (Names): Commissioner Hall

Approved this 2nd day of May, 2017.

/s/Timothy D. Gover
Timothy D. Gover, Mayor
City of Mattoon, Coles County, Illinois

ATTEST:

APPROVED AS TO FORM:

/s/Susan J. O'Brien
Susan J. O'Brien, City Clerk

/s/Daniel C. Jones
Daniel C. Jones, City Attorney

Mayor Gover opened the floor for questions/comments/discussion with no response.

Mayor Gover declared the motion carried by the following vote: YEA Commissioner Cox, YEA Commissioner Graven, Abstain Commissioner Hall, YEA Commissioner Owen, YEA Mayor Gover.

Mayor Gover seconded by Commissioner Owen moved to adopt Special Ordinance No. 2017-1659, ratifying employment contracts with City Administrator, City Clerk, Finance Director & City Treasurer, Information Technology Director, Fire Chief, Assistant Fire Chief, Police Chief, Deputy Police Chief, Public Works Director, Public Works Superintendent, Water & Waste Water Treatment Plant Superintendents, Parks & Recreation Director, and Director of Arts & Tourism.

CITY OF MATTOON, ILLINOIS

SPECIAL ORDINANCE NO. 2017-1659

AN ORDINANCE RATIFYING THE EMPLOYMENT AGREEMENTS OF
DEAN BARBER, DAVE BASHAM, JEFFREY M. BRANSON, ANGELIA D. BURGETT, KYLE
GILL, KEVIN HAMILTON, BRIAN P. JOHANPETER, SEAN JUNGE, ANTHONY NICHOLS,
SUSAN O'BRIEN, GLEN SLOAN, KURT STRETCH, JASON TAYLOR, AND BETH WRIGHT FOR
MANAGERIAL POSITIONS

BE IT ORDAINED by the City Council of the City of Mattoon as follows:

Section 1. The City Council hereby approves an Employment Agreements with:

Dean Barber for the position of Public Works Director; and
Dave Basham for the position of Water Treatment Plant Superintendent, and
Jeffrey M. Branson for the position of Police Chief; and
Angelia Burgett for the position of Director of Arts & Tourism, and
Kyle Gill for the position of City Administrator, and
Kevin Hamilton for the position of Public Works Superintendent, and
Brian Johanpeter for the position of Information Technology Director, and
Sean Junge for the position of Assistant Fire Chief; and
Anthony Nichols for position of Fire Chief; and
Susan O'Brien for the position of City Clerk, and
Glen Sloan for the position of Waste Water Treatment Plant Superintendent, and
Kurt Stretch for the position of Parks and Recreation Director, and
Jason Taylor for the position of Deputy Police Chief; and
Beth Wright for the position of Finance Director & City Treasurer,

a copy of which is attached hereto and incorporated herein by reference.

Section 2. This ordinance shall be deemed published as of the day of its adoption and approval by the City Council.

Section 3. This ordinance shall be effective upon its approval as provided by law.

Upon motion by Mayor Gover, seconded by Commissioner Owen, adopted this 2nd day of May, 2017, by a roll call vote, as follows:

AYES (Names): Commissioner Cox, Commissioner Graven,

Commissioner Hall, Commissioner Owen,
Mayor Gover

NAYS (Names): None
ABSENT (Names): None

Approved this 2nd day of May, 2017.

/s/Tim Gover
Tim Gover, Mayor
City of Mattoon, Coles County, Illinois

ATTEST:

APPROVED AS TO FORM:

/s/Susan J. O'Brien
Susan J. O'Brien, City Clerk

/s/Daniel C. Jones
Daniel C. Jones, City Attorney

Mayor Gover declared the motion carried by the following vote: YEA Commissioner Cox, YEA Commissioner Graven, YEA Commissioner Hall, YEA Commissioner Owen, YEA Mayor Gover.

Commissioner Cox seconded by Commissioner Graven moved to approve Council Decision Request 2017-1764, approving the design fee proposal in the amount of \$56,640 from Crawford, Murphy & Tilly for the construction of an additional clearwell at the Water Treatment Plant, repainting of the existing clearwell, and disinfection chemical feed point changes; and authorizing the mayor to sign the document.

Mayor Gover opened the floor for questions/comments/discussion with no response.

Mayor Gover declared the motion carried by the following vote: YEA Commissioner Cox, YEA Commissioner Graven, YEA Commissioner Hall, YEA Commissioner Owen, YEA Mayor Gover.

Commissioner Owen seconded by Commissioner Hall moved to adopt Ordinance No. 2017-5397, authorizing and directing the issuance, sale and delivery of General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017A, of the City; providing for the levy and collection of an annual tax for the purpose of paying the principal and interest on the bonds as they become due; and authorizing other related matters.

ORDINANCE NO. 2017-5397

**AN ORDINANCE AUTHORIZING AND DIRECTING THE
ISSUANCE, SALE AND DELIVERY OF GENERAL
OBLIGATION REFUNDING BONDS (ALTERNATE REVENUE
SOURCE), SERIES 2017A, OF THE CITY; PROVIDING FOR
THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR
THE PURPOSE OF PAYING THE PRINCIPAL OF AND
INTEREST ON THE BONDS AS THEY BECOME DUE; AND
AUTHORIZING CERTAIN OTHER DOCUMENTS AND
ACTIONS IN CONNECTION THEREWITH.**

WHEREAS, the City of Mattoon, Coles County, Illinois (the “City”) is a non-home rule city and political subdivision of the State of Illinois, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Illinois; and

WHEREAS, the General Obligation Bonds (Alternate Revenue Source), Series 2009A (the “Series 2009A Bonds”) were issued in accordance with the requirements of the Local Government Debt Reform Act of the State of Illinois, as amended (the “Debt Reform Act”) to acquire, construct, renovate and improve various capital improvement projects in the City, including, but not limited to, construction of storm drainage detention and management facilities, acquisition of land, road and sidewalk improvements, park and recreational facility improvements and new building construction (the “Project”); and

WHEREAS, the City Council, on the 7th day of October, 2008 adopted Ordinance No. 2008-5263 (the “Authorizing Ordinance”), authorizing the issuance of the Series 2009A Bonds, being general obligation bonds payable from a revenue source as provided by the Act; and

WHEREAS, on the 9th day of October, 2008, the Authorizing Ordinance, which included therein a notice in the statutory form, was published in the *Journal Gazette & Times-Courier*; 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 City Clerk requesting that the question of the issuance of the Series 2009A Bonds be submitted to referendum; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, notice of a public hearing (the “Hearing”) to be held on the 7th day of October, 2008 was given by publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in the *Journal Gazette & Times-Courier*, the same being a newspaper having general circulation in the City, concerning the intent of the City Council to sell \$6,000,000 principal amount of the Series 2009A Bonds to fund the Project, where the City Council explained the reasons for the proposed bond issue and permitted persons in attendance desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was held and finally adjourned on the 7th day of October, 2008, and not less than seven (7) days passed since the final adjournment of the Hearing before approval of Ordinance No. 2009-5275, which authorized the issuance of the Series 2009A Bonds; and

WHEREAS, the City Council has determined that it is advisable, necessary and in the best interests of the City to refund the City’s outstanding Series 2009A Bonds, maturing in the years 2018 and thereafter (the “Refunded Bonds”) by issuing the Bonds (as defined herein) (the “Refunding”); and

WHEREAS, the estimated cost of the Refunding includes legal, financial, bond discount, printing and publication costs, and other expenses, and there are insufficient funds on hand and lawfully available to pay such cost; and

WHEREAS, it is necessary and for the best interests of the City that the Refunding be undertaken and, in order to raise the funds required for such purpose, it will be necessary for the City to borrow \$4,255,000 and in evidence thereof to issue alternate bonds in the aggregate principal amount of \$4,255,000, all in accordance with the Act; and

WHEREAS, the City is authorized to refund the Refunded Bonds under the Act; and

WHEREAS, the Bonds are issued on a parity with the Series 2017B Bonds (as defined herein), which are expected to be issued on the same date as the Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MATTOON, COLES COUNTY, ILLINOIS, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Ordinance shall have the following meanings:

“Act” means, collectively, the Illinois Municipal Code, as supplemented and amended, the Debt Reform Act, as supplemented and amended, and the other Omnibus Bond Acts, as supplemented and amended.

“Additional Bonds” means any alternate bonds issued in the future in accordance with the provisions of the Act on a parity with and sharing ratably and equally in the Pledged Revenues.

“Approved Investor” means (a) the Purchaser, (b) any related or affiliated party(s) of the Purchaser (as defined under federal securities laws), (c) an “accredited investor” under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, or (d) a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933.

“Authorized Denominations” means \$100,000 and integral multiples of \$5,000 in excess thereof.

“Bond Counsel” means Gilmore & Bell, P.C., Edwardsville, Illinois, or other attorneys or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“Bond Fund” means the fund by that name referred to in **Section 501** hereof.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Purchase Agreement” means the Rate Lock Letter Agreement between the City and the Purchaser, in substantially the form attached hereto as **Exhibit C**.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

“Bond Year” means the twelve-calendar-month period commencing on December 2 of each year and ending on the following December 1.

“Bonds” means the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017A, authorized and issued by the City pursuant to this Ordinance.

“Business Day” means a day other than a Saturday, Sunday or holiday on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

“City” means the City of Mattoon, Coles County, Illinois, and any successors or assigns.

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

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations, if and to the extent the same are at the time legal for investment of the City’s funds:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations serving as security for the obligations (plus any cash in an escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations serving as security for the obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the same rating category as United States Government Obligations by Moody's Investors Service, Inc. or S&P Global Ratings.

"Federal Tax Certificate" means the Federal Tax Certificate, in substantially the form attached hereto as **Exhibit B**, as the same may be amended or supplemented in accordance with the provisions thereof.

"Interest Payment Date" means the Stated Maturity of an installment of interest on any Bond.

"Maturity" when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

"Ordinance" means this Ordinance adopted by the City Council of the City, authorizing the issuance of the Bonds, as amended from time to time.

"Outstanding" means, when used with reference to Bonds, as of any particular date of determination, all Bonds theretofore authenticated and delivered hereunder, except the following:

(a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 701** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

"Paying Agent" means the Purchaser, and any successors or assigns.

"Person" means any natural person, corporation, limited liability company, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

"Pledged Moneys" means Pledged Revenues and Pledged Taxes.

"Pledged Revenues" means the 1/2% non-home rule sales tax imposed by the City.

"Pledged Revenues Account" means the Pledged Revenues Account established in the Bond Fund pursuant to **Section 501** hereof.

"Pledged Taxes" means the ad valorem property taxes levied upon all of the taxable property in the City without limitation as to rate or amount and pledged by the City as security for the Bonds.

"Pledged Taxes Account" means the Pledged Taxes Account established in the Bond Fund pursuant to **Section 501** hereof.

"Purchaser" means J P Morgan Chase Bank, N.A., the original purchaser of the Bonds.

“Record Date” for the interest payable on any Interest Payment Date means the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for the redemption of such Bond pursuant to the terms of this Ordinance.

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of this Ordinance, which price is to be stated as a percentage of the principal amount of those Bonds to be redeemed.

“Refunded Bond Ordinance” means Ordinance No. 2009-5275 adopted by the City Council of the City on April 21, 2009, which authorized the issuance of the Series 2009A Bonds.

“Refunded Bonds” means the outstanding Series 2009A Bonds maturing on December 1, 2018 and thereafter, outstanding in the aggregate principal amount of \$4,195,000.

“Registered Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

“Series 2009A Bonds” means the City’s General Obligation Bonds (Alternate Revenue Source), Series 2009A, issued in the original principal amount of \$6,000,000.

“Series 2017B Bonds” means the Taxable General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017B, expected to be issued by the City on the same date as the Bonds.

“Special Record Date” means the date prior to the payment date of Defaulted Interest fixed by the Paying Agent pursuant to **Section 204** hereof.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Ordinance as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are held in a custodial account for the benefit of the City.

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017A (the "Bonds") in the original principal amount of \$4,255,000, which are being issued for the purpose of providing funds to (a) refund the Refunded Bonds and (2) pay the costs of issuing the Bonds.

Section 202. Description of Bonds.

(a) The Bonds shall consist of fully-registered bonds, numbered from 1 upward in order of issuance, in Authorized Denominations. The Bonds shall be substantially in the form set forth in **Exhibit A** attached hereto, and shall be subject to registration, transfer and exchange as provided in **Section 205** hereof.

(b) The Bonds shall be dated the date of original issuance and delivery thereof, shall become due on the Stated Maturity, subject to redemption and payment prior to the Stated Maturity as provided in **Article III** hereof, and shall bear interest at the rate of 2.21% per annum.

(c) The Bonds shall bear interest at the above-specified rate (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 in each year, beginning on June 1, 2018.

Section 203. Designation of Paying Agent.

(a) The Purchaser is hereby designated as the City's paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

(b) The City reserves the right to appoint a successor Paying Agent by (1) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor, and (2) causing notice of the appointment of the successor Paying Agent to be given by first class mail to each Registered Owner. The Paying Agent may resign upon giving written notice by first class mail to the City and the Registered Owners not less than 60 days prior to the date such resignation is to take effect. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent.

Section 204. Method and Place of Payment of Bonds.

(a) The principal or Redemption Price of and interest on the Bonds shall be payable in any coin or currency of the United States of America that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

(b) The principal of each Bond shall be paid at Maturity by check, electronic transfer or draft to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal payment office designated by the Paying Agent.

(c) The interest payable on each Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest by (1) check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner or (2) electronic transfer to such Registered Owner upon written notice given to the Paying Agent not less than 15 days prior to the Record Date for such interest and signed by such Registered Owner, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgement that electronic transfer fees may be applicable.

(d) Any payment of principal or Redemption Price of or interest on the Bonds that becomes due on a day which is not a Business Day shall be made on the next succeeding Business Day without additional interest accruing after the stated due date.

(e) Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Registered Owner of such Bond on the relevant Record Date and shall be payable to the Registered Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent unless the City and the Paying Agent agree to a shorter time period) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment, unless the City and the Paying Agent agree to a shorter time period. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Registered Owner of a Bond entitled to such notice at the address of such Registered Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

(f) The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds, and shall, at the written request of the City, forward a copy or summary of such records to the City.

Section 205. Registration, Transfer and Exchange of Bonds.

(a) The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the principal corporate trust office of the Paying Agent or such other office designated by the Paying Agent. Each Bond when issued shall be registered in the name of the owner thereof on the Bond Register.

(b) **The Bonds and beneficial interests therein may only be purchased by or transferred to Approved Investors and only upon the execution by the proposed purchaser or transferee of a letter in substantially the form attached as Exhibit D hereto.** Subject to the limitations of the preceding sentence, Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal corporate trust office of the Paying Agent or such other office designated by the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

(c) In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. Any costs or fees associated with transferring or exchanging Bonds are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

(d) The City and the Paying Agent shall not be required to register the transfer or exchange of any Bond (1) that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 5 days next preceding the date of mailing of such notice of redemption, or (2) during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

(e) The City and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

(f) At reasonable times and under reasonable regulations established by the Paying Agent, the Bond Register may be inspected and copied by the Registered Owners of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Registered Owners. The

authority of any designated representative of such Registered Owners must be evidenced to the satisfaction of the Paying Agent.

Section 206. Execution, Registration, Authentication and Delivery of Bonds.

(a) Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and shall have the official seal of the City affixed or imprinted thereon. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

(b) The Mayor and City Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified and, when duly executed and registered, to deliver the Bonds to the Paying Agent for authentication.

(c) The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit A** attached hereto, which shall be manually executed by an authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. Upon authentication and payment to the City of the purchase price of the Bonds, the Paying Agent shall deliver the Bonds to the Purchaser.

Section 207. Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If (1) any mutilated Bond is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (2) there is delivered to the Paying Agent such security or indemnity as may be required by the Paying Agent to save each of the City and the Paying Agent harmless, then, in the absence of notice to the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and, the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City may, in its discretion, direct the Paying Agent to pay such Bond instead of delivering a new Bond.

(c) Upon the issuance of any new Bond under this Section, the City or the Paying Agent may require the payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

(d) Every new Bond issued pursuant to this Section shall constitute a replacement of the City's prior obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and shall file an executed counterpart of such certificate with the City.

Section 209. Sale of Bonds. The Mayor is hereby authorized to enter into the Bond Purchase Agreement, under which the City agrees to lock the interest rate on the Bonds, upon the terms and conditions set forth therein and with such changes therein as shall be approved by the Mayor, which officer is hereby authorized to execute the Bond Purchase Agreement for and on the City's behalf, such officer's signature thereon being conclusive evidence of their approval thereof. The Bonds shall be sold to the Purchaser at a purchase price of \$4,260,000.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) *No Optional Redemption.* The Bonds are not subject to optional redemption and payment prior to their Stated Maturity.

(b) *Mandatory Redemption.* The Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. Moneys on deposit in the Bond Fund shall be sufficient to redeem, and the City shall redeem on December 1 in each year, the following principal amounts of the Bonds:

<u>Year</u>	<u>Principal Amount</u>
2018	\$320,000
2019	330,000
2020	345,000
2021	360,000
2022	370,000
2023	385,000
2024	400,000
2025	415,000
2026	430,000
2027	445,000
2028*	460,000

*Final Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection (b)) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection (b). Bonds so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Bonds of the same Stated Maturity in chronological order, and the principal amount of Bonds of the same Stated Maturity to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with respect to such mandatory redemption.

Section 302. Selection of Bonds to Be Redeemed.

(a) Bonds shall be redeemed only in Authorized Denominations. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be selected by the Paying Agent in Authorized Denominations by lot or in such other equitable manner as the Paying Agent may determine.

(b) In the case of a partial redemption of Bonds, when Bonds of denominations greater than \$100,000 are then Outstanding, then for all purposes in connection with such redemption each \$100,000 of face value shall be treated as though it were a separate Bond of the denomination of \$100,000. If it is determined that one or more, but not all, of the \$100,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$100,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the Redemption Price and interest to the Redemption Date of such \$100,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$100,000 unit or units of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption.

(a) Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on the City's behalf by mailing a copy of an official

redemption notice by first class mail at least 10 days but not more than 30 days prior to the Redemption Date to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

(b) All official notices of redemption shall be dated and shall contain the following information:

- (1) the Redemption Date;
- (2) the Redemption Price;
- (3) if less than all Outstanding Bonds are to be redeemed, the principal amount of the Bonds to be redeemed;
- (4) a statement 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 the Redemption Date; and
- (5) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal payment office of the Paying Agent or such other office designated by the Paying Agent.

(c) Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. 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, the Paying Agent shall prepare for the Registered Owner a new Bond or Bonds in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

(d) The failure of any Registered Owner to receive the foregoing notice or any defect therein shall not invalidate the effectiveness of the call for redemption.

(e) The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. General Obligations. The Bonds shall be general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property within the City's territorial limits. The full faith,

credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 402. Levy and Collection of Annual Tax.

(a) For the purpose of providing for the payment of the principal or Redemption Price of and interest on the Bonds as the same become due, there is hereby levied upon all of the taxable tangible property within the City a direct annual tax sufficient to produce the amounts necessary for the payment of such principal or Redemption Price of and interest as the same becomes due and payable in each year, as follows:

<u>For the</u> <u>Levy Year</u>	<u>A Tax Sufficient</u> <u>to Produce the Sum of:</u>
2017	\$421,991.50 for principal and interest
2018	\$417,074.00 for principal and interest
2019	\$424,781.00 for principal and interest
2020	\$432,156.50 for principal and interest
2021	\$434,200.50 for principal and interest
2022	\$441,023.50 for principal and interest
2023	\$447,515.00 for principal and interest
2024	\$453,675.00 for principal and interest
2025	\$459,503.50 for principal and interest
2026	\$465,000.50 for principal and interest
2027	\$470,166.00 for principal and interest

(b) The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the City's other ad valorem taxes are levied and collected. The proceeds derived from said taxes shall be deposited in the Pledged Taxes Account of the Bond Fund, shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal or Redemption Price of and interest on the Bonds as and when the same become due.

(c) If at any time said taxes are not collected in time to pay the principal of and interest on the Bonds when due, the City Treasurer is hereby authorized and directed to pay said principal of and interest on the Bonds out of the City's general funds and to reimburse said general funds for money so expended when said taxes are collected.

(d) The City covenants and agrees with the Registered Owners of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the foregoing tax levy and the City and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the Pledged Taxes Account of the Bond Fund.

(e) Notwithstanding anything to the contrary herein, whenever the City Council determines that funds are or will be available to pay any principal of or interest on the Bonds when due so as to enable the abatement of the Pledged Taxes levied for the same, the City Council or the officers of the City shall direct the abatement of such Pledged Taxes by filing an appropriate certification of such abatement with the County Clerk of Coles County, Illinois in a timely manner to effect such abatement. If for any reason there is abatement of such levy of taxes and the failure thereafter to pay the principal of and interest on the Bonds, the additional amount, together with accrued interest, shall be added to the tax levy in the year of, or the next year following, such failure.

Section 403. Filing of Ordinance. Upon the passage of this Ordinance, the City Clerk is hereby directed to file a certified copy of this Ordinance with the County Clerk of Coles County, Illinois, and it shall be the duty of said County Clerk for each of the years required to ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the City in connection with other taxes levied in each of said years for general corporate purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general corporate purposes of the City, and when collected, the taxes hereby levied shall be placed in the Pledged Taxes Account of the Bond Fund.

Section 404. Treatment of Bonds as Debt. The Bonds shall be payable from the Pledged Moneys as provided herein and shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation full faith and credit promise supporting the Bonds, as provided in **Section 402** hereof, in which case the amount of the Outstanding Bonds shall be included in the computation of indebtedness of the City for purposes of all statutory provisions or limitations until such time as an audit of the City shall show that the Bonds have been paid from the Pledged Revenues for a complete fiscal year, in accordance with the Act.

Section 405. General Covenants. The City covenants and agrees with the holders of the Bonds that so long as the Bonds or any of them remain outstanding and unpaid, either as to principal or interest:

(a) The City hereby pledges the Pledged Revenues to the payment of the Bonds, and the City covenants and agrees to provide for, collect and apply the Pledged Revenues to the payment of the Bonds

and the provision of not less than an additional 0.25 times debt service on the Bonds, all in accordance with Section 15 of the Debt Reform Act.

(b) The City will punctually pay or cause to be paid from the sources herein provided the principal of and interest on the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof and hereof.

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

(d) The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues, the Pledged Taxes, the Bond Fund and associated subaccounts. Such books of record and accounts will at all times during business hours be subject to the inspection of the Registered Owners of not less than 10% of the principal amount of the outstanding Bonds or their representatives authorized in writing.

(e) The City will preserve and protect the security of the Bonds and the rights of the Registered Owners of the Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

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

(g) As long as any Bonds are outstanding under this Ordinance, the City will continue to deposit the Pledged Revenues (or other lawfully available funds) into the Pledged Revenues Account and, if necessary, the Pledged Taxes into the Pledged Taxes Account. The City covenants and agrees with the purchasers of the Bonds and with the Registered Owners thereof that so long as any Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to collect the Pledged Revenues. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues and Pledged Taxes may be collected as provided herein and deposited into the Pledged Revenues Account and Pledged Taxes Account, respectively, as provided herein.

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

ARTICLE V

**ESTABLISHMENT OF FUNDS AND ACCOUNTS;
DEPOSIT AND APPLICATION OF MONEY**

Section 501. Establishment of Funds and Accounts. There have been or shall be established in the City's treasury and shall be held and administered by the City Treasurer a Bond Fund consisting of a Pledged Revenues Account and a Pledged Taxes Account.

Section 502. Deposit of Bond Proceeds and Other Money. The proceeds received from the sale of the Bonds, together with other legally available funds of the City, shall be applied, as follows:

(a) \$4,195,000 of the proceeds of the Bonds shall be transferred to the paying agent for the Refunded Bonds and used to redeem the Refunded Bonds on December 1, 2017.

(b) \$65,000 of the proceeds of the Bonds shall be used to pay costs of issuing the Bonds. Any proceeds not used to pay costs of issuance by April 1, 2018 shall be transferred to the Bond Fund to pay interest on the Bonds.

Section 503. Application of Money in Bond Fund.

(a) All of the Pledged Moneys designated to pay the principal of and interest on the Outstanding Bonds shall be set aside and deposited by the City Treasurer into the Bond Fund in accordance with the terms hereof, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance. The Outstanding Bonds are secured by a pledge of all of the moneys on deposit in the Bond Fund, and such pledge is irrevocable until the obligations of the City are discharged under this Ordinance.

(b) The Pledged Moneys are to be paid to the City Treasurer by the officers who collect or receive the Pledged Moneys. The City Treasurer shall transfer and deposit the Pledged Moneys into the Bond Fund in accordance with the terms of this Ordinance. The moneys on deposit in the Bond Fund shall be used by the City solely and only for the purpose of carrying out the terms and conditions of this Ordinance and shall be deposited as hereinafter provided to the separate accounts hereby created within the Bond Fund to be known as the "Pledged Revenues Account" and the "Pledged Taxes Account."

(1) *Pledged Revenues Account.* The City Treasurer shall transfer and deposit into the Pledged Revenues Account such amount of the Pledged Revenues as may be necessary until there is accumulated and held, in cash and investments, in the Pledged Revenues Account an amount sufficient to pay the principal of and interest on the Outstanding Bonds due on the next Bond Payment Date.

(2) *Pledged Taxes Account.* The City Treasurer shall deposit the Pledged Taxes to the credit of the Pledged Taxes Account, which Pledged Taxes are irrevocably pledged and shall be used only for the purpose of paying the principal of and interest on the Outstanding Bonds.

(c) In the event that there shall be moneys to the credit of both the Pledged Revenues Account and the Pledged Taxes Account in the Bond Fund on any Interest Payment Date for the

Outstanding Bonds, the Pledged Taxes Account shall be fully depleted before moneys to the credit of the Pledged Revenues Account shall be used to pay principal of or interest on the Outstanding Bonds.

Section 504. Deposits and Investment of Money.

(a) Money in each of the funds or accounts created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions with a branch or office located in the State of Illinois that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits as provided by the laws of the State of Illinois. All money held in the funds or accounts created by this Ordinance shall be kept separate and apart from all other funds of the City so that there shall be no commingling of such funds with any other funds of the City.

(b) Money held in any fund or account referred to in this Ordinance may be invested by the City Treasurer at the direction of the City Council, in accordance with this Ordinance and the Federal Tax Certificate, in any investment permissible under the laws of the State of Illinois; provided, however, that no such investment may be made for a period extending longer than the date when the money invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any fund or account shall accrue to and become a part of such fund or account.

Section 505. Nonpresentation of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent, all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his or her part under this Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall, without liability for interest thereon, repay to the City the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 506. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of the principal of and interest on the Bonds need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 507. Redemption of Refunded Bonds. The Refunded Bonds are hereby called for redemption and payment prior to maturity on December 1, 2017. Such bonds shall be redeemed at the principal payment office of The Bank of New York Mellon Trust Company, N.A., the paying agent for the Refunded Bonds, by the payment on the redemption date of the redemption price thereof and accrued interest thereon to the redemption date. In accordance with the requirements of the Refunded Bond

Ordinance, the City Council hereby authorizes the Mayor or the City Administrator to cause notice of the call for redemption and payment of such Refunded Bonds to be given in the manner provided in the Refunded Bond Ordinance. The officers of the City and the paying agent for the Refunded Bonds are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of such Refunded Bonds as herein provided.

ARTICLE VI

REMEDIES

Section 601. Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Registered Owners of the Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Ordinance or by the constitution and laws of the State of Illinois;

(b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

Section 602. Limitation on Rights of Registered Owners. The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in this Ordinance. No one or more Registered Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

Section 603. Remedies Cumulative. No remedy conferred herein upon the Registered Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Registered Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of any Registered Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the Bonds by this Ordinance may be enforced and exercised

from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by any Registered Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to such Registered Owner, then, and in every such case, the City and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Registered Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Ordinance and the pledge of the Pledged Moneys and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company with a branch or office located in the State of Illinois and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, money and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of and redemption premium, if any, on said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of the Bonds, and such money shall be and is hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Ordinance.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 801. Tax Covenants. The City hereby covenants and agrees to comply with all provisions and requirements of the Federal Tax Certificate, which is hereby approved, with such changes therein as shall be approved by the Mayor and the Bond Compliance Officer (as defined therein), which officers are hereby authorized to execute the Federal Tax Certificate for and on behalf of the City, such officer's signature thereon being conclusive evidence of his or her approval thereof.

Section 802. Annual Audit.

(a) Annually, promptly after the end of the fiscal year, the City will cause an audit to be made of its funds and accounts for the preceding fiscal year by an independent public accountant or firm of independent public accountants.

(b) Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk. Such audits shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Registered Owner.

(c) As soon as possible after the completion of the annual audit, the governing body of the City shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Ordinance, the City shall promptly cure such deficiency.

Section 803. Amendments.

(a) The rights and duties of the City and the Registered Owners, and the terms and provisions of the Bonds or of this Ordinance, may be amended or modified at any time in any respect by Ordinance of the City with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk. No such modification or alteration may:

- (1) extend the maturity of any payment of principal or interest due upon any Bond or alter an optional Redemption Date;
- (2) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond;
- (3) permit preference or priority of any Bond over any other Bond; or
- (4) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Ordinance.

(b) Any provision of the Bonds or of this Ordinance may, however, be amended or modified by Ordinance duly adopted by the governing body of the City at any time in any legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

(c) Without notice to or the consent of any Registered Owners, the City may amend or supplement this Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the interests of the Registered Owners.

(d) Every amendment or modification of the provisions of the Bonds or of this Ordinance, to which the written consent of the Registered Owners is given, as above provided, shall be expressed in an ordinance adopted by the governing body of the City amending or supplementing the provisions of this Ordinance and shall be deemed to be a part of this Ordinance. A certified copy of every such amendatory or supplemental ordinance if any, and a certified copy of this Ordinance shall always be kept on file in the office of the City Clerk and shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance

or of this Ordinance will be sent by the City Clerk to any such Registered Owner or prospective Registered Owner.

(e) Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the City Clerk a copy of the Ordinance of the City hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Registered Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

(f) The City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Ordinance which affects the duties or obligations of the Paying Agent under this Ordinance.

Section 804. Notices, Consents and Other Instruments by Registered Owners.

(a) Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Registered Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Registered Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds (other than the assignment of the ownership of a Bond as provided for in the form of Bond set forth in **Exhibit A**) if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(1) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(2) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

(b) In determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Ordinance, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this Ordinance, except that, in determining whether the Registered Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Registered Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Registered Owners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City.

Section 805. Incorporation of Preambles. The City Council hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

Section 806. Series 2017B Bonds. The Bonds and the Series 2017B Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the

Pledged Revenues. The Bonds shall not have any priority with respect to the payment of principal or interest from the Pledged Revenues over the Series 2017B Bonds and the Series 2017B Bonds shall not have any priority with respect to the payment of principal or interest from the Pledged Revenues or otherwise over the Bonds.

Section 807. Additional Bonds. The City reserves the right to issue Additional Bonds from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Outstanding Bonds; provided that no Additional Bonds shall be issued except in accordance with the provisions of the Debt Reform Act.

Section 808. Further Authority. The officers of the City, including the Mayor, the City Administrator, the City Treasurer and the City Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 809. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Paying Agent and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent and the Registered Owners of the Bonds.

Section 810. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 811. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Illinois.

Section 812. Effective Date. This Ordinance shall take effect and be in full force immediately from and after passage by the City Council.

Upon motion by Commissioner Owen seconded by Commissioner Hall, adopted this 2nd day of May, 2017, by a roll call vote, as follows:

AYES (Names): Commissioner Cox, Commissioner Graven,
Commissioner Hall, Commissioner Owen,
Mayor Gover
NAYS (Names): None
ABSENT (Names): None

Approved this 2nd day of May, 2017.

/s/Tim Gover
Tim Gover, Mayor

City of Mattoon, Coles County, Illinois

ATTEST:

APPROVED AS TO FORM:

/s/Susan J. O'Brien
Susan J. O'Brien, City Clerk

/s/Daniel C. Jones
Daniel C. Jones, City Attorney

Mayor Gover opened the floor questions/comments. Mr. Dave Phillips of Speer Financial explicated the refunding of tax exempt Series 2009A & B, the combined savings of approximately \$707,411 over the life of the bonds, and 2.21% interest rate for 2017A and 3.31% interest rate for 2017B. Director and Treasurer Wright noted one bond was in the capital projects fund and the other was in the Broadway East Business District.

Mayor Gover declared the motion carried by the following vote: YEA Commissioner Cox, YEA Commissioner Graven, YEA Commissioner Hall, YEA Commissioner Owen, YEA Mayor Gover.

Commissioner Owen seconded by Commissioner Hall moved to adopt Ordinance No. 2017-5398, authorizing and directing the issuance, sale and delivery of General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017B, of the City; providing for the levy and collection of an annual tax for the purpose of paying the principal and interest on the bonds as they become due; and authorizing other related matters.

ORDINANCE NO. 2017-5398

AN ORDINANCE AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF TAXABLE GENERAL OBLIGATION REFUNDING BONDS (ALTERNATE REVENUE SOURCE), SERIES 2017B, OF THE CITY; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THEY BECOME DUE; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH.

WHEREAS, the City of Mattoon, Coles County, Illinois (the "City") is a non-home rule city and political subdivision of the State of Illinois, duly created, organized and existing under and by virtue of the Constitution and laws of the State of Illinois; and

WHEREAS, the Taxable General Obligation Bonds (Alternate Revenue Source), Series 2009B (the "Series 2009B Bonds") were issued in accordance with the requirements of the Local Government Debt Reform Act of the State of Illinois, as amended (the "Debt Reform Act") to renovate and improve the Cross County Mall, including renovations to the façade, roof, HVAC, parking facilities and drainage facilities (the "Project"); and

WHEREAS, the City Council, on the 7th day of October, 2008 adopted Ordinance No. 2008-5263 (the “Authorizing Ordinance”), authorizing the issuance of the Series 2009B Bonds, being general obligation bonds payable from a revenue source as provided by the Act; and

WHEREAS, on the 9th day of October, 2008, the Authorizing Ordinance, which included therein a notice in the statutory form, was published in the *Journal Gazette & Times-Courier*; 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 City Clerk requesting that the question of the issuance of the Series 2009B Bonds be submitted to referendum; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, notice of a public hearing (the “Hearing”) to be held on the 7th day of October, 2008 was given by publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in the *Journal Gazette & Times-Courier*, the same being a newspaper having general circulation in the City, concerning the intent of the City Council to sell \$4,000,000 principal amount of the Series 2009B Bonds to fund the Project, where the City Council explained the reasons for the proposed bond issue and permitted persons in attendance desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was held and finally adjourned on the 7th day of October, 2008, and not less than seven (7) days passed since the final adjournment of the Hearing before approval of Ordinance No. 2009-5276, which authorized the issuance of the Series 2009B Bonds; and

WHEREAS, the City Council has determined that it is advisable, necessary and in the best interests of the City to refund the City’s outstanding Series 2009B Bonds, maturing in the years 2018 and thereafter (the “Refunded Bonds”) by issuing the Bonds (as defined herein) (the “Refunding”); and

WHEREAS, the estimated cost of the Refunding includes legal, financial, bond discount, printing and publication costs, and other expenses, and there are insufficient funds on hand and lawfully available to pay such cost; and

WHEREAS, it is necessary and for the best interests of the City that the Refunding be undertaken and, in order to raise the funds required for such purpose, it will be necessary for the City to borrow \$2,980,000 and in evidence thereof to issue alternate bonds in the aggregate principal amount of \$2,980,000, all in accordance with the Act; and

WHEREAS, the City is authorized to refund the Refunded Bonds under the Act; and

WHEREAS, the Bonds are issued on a parity with the Series 2017A Bonds (as defined herein), which are expected to be issued on the same date as the Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MATTOON, COLES COUNTY, ILLINOIS, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Ordinance shall have the following meanings:

“Act” means, collectively, the Illinois Municipal Code, as supplemented and amended, the Debt Reform Act, as supplemented and amended, and the other Omnibus Bond Acts, as supplemented and amended.

“Additional Bonds” means any alternate bonds issued in the future in accordance with the provisions of the Act on a parity with and sharing ratably and equally in the Pledged Revenues.

“Approved Investor” means (a) the Purchaser, (b) any related or affiliated party(s) of the Purchaser (as defined under federal securities laws), (c) an “accredited investor” under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, or (d) a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933.

“Authorized Denominations” means \$100,000 and integral multiples of \$5,000 in excess thereof.

“Bond Counsel” means Gilmore & Bell, P.C., Edwardsville, Illinois, or other attorneys or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“Bond Fund” means the fund by that name referred to in **Section 501** hereof.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Purchase Agreement” means the Rate Lock Letter Agreement between the City and the Purchaser, in substantially the form attached hereto as **Exhibit C**.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

“Bond Year” means the twelve-calendar-month period commencing on December 2 of each year and ending on the following December 1.

“Bonds” means the Taxable General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017B, authorized and issued by the City pursuant to this Ordinance.

“Business Day” means a day other than a Saturday, Sunday or holiday on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

“City” means the City of Mattoon, Coles County, Illinois, and any successors or assigns.

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

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations, if and to the extent the same are at the time legal for investment of the City’s funds:

- (a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or
- (b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:
 - (1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;
 - (2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;
 - (3) such cash and the principal of and interest on such United States Government Obligations serving as security for the obligations (plus any cash in an escrow fund) are sufficient to meet the liabilities of the obligations;
 - (4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;
 - (5) such cash and United States Government Obligations serving as security for the obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and
 - (6) the obligations are rated in the same rating category as United States Government Obligations by Moody’s Investors Service, Inc. or S&P Global Ratings.

“Interest Payment Date” means the Stated Maturity of an installment of interest on any Bond.

“Maturity” when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Ordinance” means this Ordinance adopted by the City Council of the City, authorizing the issuance of the Bonds, as amended from time to time.

“Outstanding” means, when used with reference to Bonds, as of any particular date of determination, all Bonds theretofore authenticated and delivered hereunder, except the following:

(a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 701** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

“Paying Agent” means the Purchaser, and any successors or assigns.

“Person” means any natural person, corporation, limited liability company, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“Pledged Moneys” means Pledged Revenues and Pledged Taxes.

“Pledged Revenues” means (a) the 1/2% non-home rule sales tax imposed by the City, (b) the tax increment financing revenues from the Broadway East Redevelopment Project Area designated by the City under the Tax Increment Allocation Redevelopment Act, and (c) the business district sales tax imposed by the City in the Broadway East Business District pursuant to the Business District Development and Redevelopment Act.

“Pledged Revenues Account” means the Pledged Revenues Account established in the Bond Fund pursuant to **Section 501** hereof.

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

“Pledged Taxes Account” means the Pledged Taxes Account established in the Bond Fund pursuant to **Section 501** hereof.

“Purchaser” means J P Morgan Chase Bank, N. A., the original purchaser of the Bonds.

“Record Date” for the interest payable on any Interest Payment Date means the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for the redemption of such Bond pursuant to the terms of this Ordinance.

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of this Ordinance, which price is to be stated as a percentage of the principal amount of those Bonds to be redeemed.

“Refunded Bond Ordinance” means Ordinance No. 2009-5276 adopted by the City Council of the City on April 21, 2009, which authorized the issuance of the Series 2009B Bonds.

“**Refunded Bonds**” means the outstanding Series 2009B Bonds maturing on December 1, 2018 and thereafter, outstanding in the aggregate principal amount of \$2,930,000.

“**Registered Owner**” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

“**Series 2009B Bonds**” means the City’s Taxable General Obligation Bonds (Alternate Revenue Source), Series 2009B, issued in the original principal amount of \$4,000,000.

“**Series 2017A Bonds**” means the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017A, expected to be issued by the City on the same date as the Bonds.

“**Special Record Date**” means the date prior to the payment date of Defaulted Interest fixed by the Paying Agent pursuant to **Section 204** hereof.

“**Stated Maturity**” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Ordinance as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“**United States Government Obligations**” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are held in a custodial account for the benefit of the City.

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds. There shall be issued and hereby are authorized and directed to be issued the Taxable General Obligation Refunding Bonds (Alternate Revenue Source), Series 2017B (the “Bonds”) in the original principal amount of \$2,980,000, which are being issued for the purpose of providing funds to (a) refund the Refunded Bonds and (2) pay the costs of issuing the Bonds.

Section 202. Description of Bonds.

(a) The Bonds shall consist of fully-registered bonds, numbered from 1 upward in order of issuance, in Authorized Denominations. The Bonds shall be substantially in the form set forth in **Exhibit A** attached hereto, and shall be subject to registration, transfer and exchange as provided in **Section 205** hereof.

(b) The Bonds shall be dated the date of original issuance and delivery thereof, shall become due on the Stated Maturity, subject to redemption and payment prior to the Stated Maturity as provided in **Article III** hereof, and shall bear interest at the rate of 3.31% per annum.

(c) The Bonds shall bear interest at the above-specified rate (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 in each year, beginning on June 1, 2018.

Section 203. Designation of Paying Agent.

(a) The Purchaser is hereby designated as the City's paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

(b) The City reserves the right to appoint a successor Paying Agent by (1) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor, and (2) causing notice of the appointment of the successor Paying Agent to be given by first class mail to each Registered Owner. The Paying Agent may resign upon giving written notice by first class mail to the City and the Registered Owners not less than 60 days prior to the date such resignation is to take effect. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent.

Section 204. Method and Place of Payment of Bonds.

(a) The principal or Redemption Price of and interest on the Bonds shall be payable in any coin or currency of the United States of America that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

(b) The principal of each Bond shall be paid at Maturity by check, electronic transfer or draft to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the principal payment office designated by the Paying Agent.

(c) The interest payable on each Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such interest by (1) check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner or (2) electronic transfer to such Registered Owner upon written notice given to the Paying Agent not less than 15 days prior to the Record Date for such interest and signed by such Registered Owner, containing the electronic transfer instructions including the bank, ABA routing number and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgement that electronic transfer fees may be applicable.

(d) Any payment of principal or Redemption Price of or interest on the Bonds that becomes due on a day which is not a Business Day shall be made on the next succeeding Business Day without additional interest accruing after the stated due date.

(e) Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Registered Owner of such Bond on the relevant Record Date and shall be payable to the Registered Owner in whose name such Bond is registered at the

close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent unless the City and the Paying Agent agree to a shorter time period) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment, unless the City and the Paying Agent agree to a shorter time period. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Registered Owner of a Bond entitled to such notice at the address of such Registered Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

(f) The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds, and shall, at the written request of the City, forward a copy or summary of such records to the City.

Section 205. Registration, Transfer and Exchange of Bonds.

(a) The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the principal corporate trust office of the Paying Agent or such other office designated by the Paying Agent. Each Bond when issued shall be registered in the name of the owner thereof on the Bond Register.

(b) **The Bonds and beneficial interests therein may only be purchased by or transferred to Approved Investors and only upon the execution by the proposed purchaser or transferee of a letter in substantially the form attached as Exhibit C hereto.** Subject to the limitations of the preceding sentence, Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal corporate trust office of the Paying Agent or such other office designated by the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

(c) In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. Any costs or fees associated with transferring or exchanging Bonds are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In

compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

(d) The City and the Paying Agent shall not be required to register the transfer or exchange of any Bond (1) that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 5 days next preceding the date of mailing of such notice of redemption, or (2) during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

(e) The City and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

(f) At reasonable times and under reasonable regulations established by the Paying Agent, the Bond Register may be inspected and copied by the Registered Owners of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Registered Owners. The authority of any designated representative of such Registered Owners must be evidenced to the satisfaction of the Paying Agent.

Section 206. Execution, Registration, Authentication and Delivery of Bonds.

(a) Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and shall have the official seal of the City affixed or imprinted thereon. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

(b) The Mayor and City Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified and, when duly executed and registered, to deliver the Bonds to the Paying Agent for authentication.

(c) The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit A** attached hereto, which shall be manually executed by an authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly

authenticated and delivered under this Ordinance. Upon authentication and payment to the City of the purchase price of the Bonds, the Paying Agent shall deliver the Bonds to the Purchaser.

Section 207. Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If (1) any mutilated Bond is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (2) there is delivered to the Paying Agent such security or indemnity as may be required by the Paying Agent to save each of the City and the Paying Agent harmless, then, in the absence of notice to the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and, the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City may, in its discretion, direct the Paying Agent to pay such Bond instead of delivering a new Bond.

(c) Upon the issuance of any new Bond under this Section, the City or the Paying Agent may require the payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

(d) Every new Bond issued pursuant to this Section shall constitute a replacement of the City's prior obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment and surrender thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and shall file an executed counterpart of such certificate with the City.

Section 209. Sale of Bonds. The Mayor is hereby authorized to enter into the Bond Purchase Agreement, under which the City agrees to lock the interest rate on the Bonds, upon the terms and conditions set forth therein and with such changes therein as shall be approved by the Mayor, which officer is hereby authorized to execute the Bond Purchase Agreement for and on the City's behalf, such officer's signature thereon being conclusive evidence of their approval thereof. The Bonds shall be sold to the Purchaser at a purchase price of \$2,985,000.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) *No Optional Redemption.* The Bonds are not subject to optional redemption and payment prior to their Stated Maturity.

(b) *Mandatory Redemption.* The Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. Moneys on deposit in the Bond Fund shall be sufficient to redeem, and the City shall redeem on December 1 in each year, the following principal amounts of the Bonds:

<u>Year</u>	<u>Principal Amount</u>
2018	\$205,000
2019	220,000
2020	235,000
2021	245,000
2022	260,000
2023	270,000
2024	285,000
2025	295,000
2026	310,000
2027	325,000
2028*	335,000

*Final Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired; or (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical; or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection (b)) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection (b). Bonds so

delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Bonds of the same Stated Maturity in chronological order, and the principal amount of Bonds of the same Stated Maturity to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with respect to such mandatory redemption.

Section 302. Selection of Bonds to Be Redeemed.

(a) Bonds shall be redeemed only in Authorized Denominations. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be selected by the Paying Agent in Authorized Denominations by lot or in such other equitable manner as the Paying Agent may determine.

(b) In the case of a partial redemption of Bonds, when Bonds of denominations greater than \$100,000 are then Outstanding, then for all purposes in connection with such redemption each \$100,000 of face value shall be treated as though it were a separate Bond of the denomination of \$100,000. If it is determined that one or more, but not all, of the \$100,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$100,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the Redemption Price and interest to the Redemption Date of such \$100,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$100,000 unit or units of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption.

(a) Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on the City's behalf by mailing a copy of an official redemption notice by first class mail at least 10 days but not more than 30 days prior to the Redemption Date to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

(b) All official notices of redemption shall be dated and shall contain the following information:

- (1) the Redemption Date;
- (2) the Redemption Price;
- (3) if less than all Outstanding Bonds are to be redeemed, the principal amount of the Bonds to be redeemed;

(4) a statement 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 the Redemption Date; and

(5) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal payment office of the Paying Agent or such other office designated by the Paying Agent.

(c) Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. 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, the Paying Agent shall prepare for the Registered Owner a new Bond or Bonds in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

(d) The failure of any Registered Owner to receive the foregoing notice or any defect therein shall not invalidate the effectiveness of the call for redemption.

(e) The Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

SECURITY FOR AND PAYMENT OF BONDS

Section 401. General Obligations. The Bonds shall be general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property within the City's territorial limits. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 402. Levy and Collection of Annual Tax.

(a) For the purpose of providing for the payment of the principal or Redemption Price of and interest on the Bonds as the same become due, there is hereby levied upon all of the taxable tangible property within the City a direct annual tax sufficient to produce the amounts necessary for the payment of such principal or Redemption Price of and interest as the same becomes due and payable in each year, as follows:

<u>For the</u> <u>Levy Year</u>	<u>A Tax Sufficient</u> <u>to Produce the Sum of:</u>
2017	\$312,037.13 for principal and interest
2018	\$312,018.00 for principal and interest
2019	\$319,736.00 for principal and interest
2020	\$321,957.50 for principal and interest
2021	\$328,848.00 for principal and interest
2022	\$330,242.00 for principal and interest
2023	\$336,305.00 for principal and interest
2024	\$336,871.50 for principal and interest
2025	\$342,107.00 for principal and interest
2026	\$346,846.00 for principal and interest
2027	\$346,088.50 for principal and interest

(b) The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the City's other ad valorem taxes are levied and collected. The proceeds derived from said taxes shall be deposited in the Pledged Taxes Account of the Bond Fund, shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal or Redemption Price of and interest on the Bonds as and when the same become due.

(c) If at any time said taxes are not collected in time to pay the principal of and interest on the Bonds when due, the City Treasurer is hereby authorized and directed to pay said principal of and interest on the Bonds out of the City's general funds and to reimburse said general funds for money so expended when said taxes are collected.

(d) The City covenants and agrees with the Registered Owners of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the foregoing tax levy and the City and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the Pledged Taxes Account of the Bond Fund.

(e) Notwithstanding anything to the contrary herein, whenever the City Council determines that funds are or will be available to pay any principal of or interest on the Bonds when due so as to enable the abatement of the Pledged Taxes levied for the same, the City Council or the officers of the City shall direct the abatement of such Pledged Taxes by filing an appropriate certification of such abatement with the County Clerk of Coles County, Illinois in a timely manner to effect such abatement. If for any reason there is abatement of such levy of taxes and the failure thereafter to pay the principal of and interest on the Bonds, the additional amount, together with accrued interest, shall be added to the tax levy in the year of, or the next year following, such failure.

Section 403. Filing of Ordinance. Upon the passage of this Ordinance, the City Clerk is hereby directed to file a certified copy of this Ordinance with the County Clerk of Coles County, Illinois, and it shall be the duty of said County Clerk for each of the years required to ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the City in connection with other taxes levied in each of said years for general corporate purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general corporate purposes of the City, and when collected, the taxes hereby levied shall be placed in the Pledged Taxes Account of the Bond Fund.

Section 404. Treatment of Bonds as Debt. The Bonds shall be payable from the Pledged Moneys as provided herein and shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation full faith and credit promise supporting the Bonds, as provided in **Section 402** hereof, in which case the amount of the Outstanding Bonds shall be included in the computation of indebtedness of the City for purposes of all statutory provisions or limitations until such time as an audit of the City shall show that the Bonds have been paid from the Pledged Revenues for a complete fiscal year, in accordance with the Act.

Section 405. General Covenants. The City covenants and agrees with the holders of the Bonds that so long as the Bonds or any of them remain outstanding and unpaid, either as to principal or interest:

(a) The City hereby pledges the Pledged Revenues to the payment of the Bonds, and the City covenants and agrees to provide for, collect and apply the Pledged Revenues to the payment of the Bonds and the provision of not less than an additional 0.25 times debt service on the Bonds, all in accordance with Section 15 of the Debt Reform Act.

(b) The City will punctually pay or cause to be paid from the sources herein provided the principal of and interest on the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof and hereof.

(c) The City will pay and discharge, or cause to be paid and discharged, from the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Revenues or Pledged Taxes, or any part thereof, or upon any funds in the hands of the Paying Agent, or which might

impair the security of the Bonds. Nothing herein contained shall require the City to make any such payment so long as the City in good faith shall contest the validity of said claims.

(d) The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues, the Pledged Taxes, the Bond Fund and associated subaccounts. Such books of record and accounts will at all times during business hours be subject to the inspection of the Registered Owners of not less than 10% of the principal amount of the outstanding Bonds or their representatives authorized in writing.

(e) The City will preserve and protect the security of the Bonds and the rights of the Registered Owners of the Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

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

(g) As long as any Bonds are outstanding under this Ordinance, the City will continue to deposit the Pledged Revenues (or other lawfully available funds) into the Pledged Revenues Account and, if necessary, the Pledged Taxes into the Pledged Taxes Account. The City covenants and agrees with the purchasers of the Bonds and with the Registered Owners thereof that so long as any Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to collect the Pledged Revenues. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues and Pledged Taxes may be collected as provided herein and deposited into the Pledged Revenues Account and Pledged Taxes Account, respectively, as provided herein.

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

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS;

DEPOSIT AND APPLICATION OF MONEY

Section 501. Establishment of Funds and Accounts. There have been or shall be established in the City's treasury and shall be held and administered by the City Treasurer a Bond Fund consisting of a Pledged Revenues Account and a Pledged Taxes Account.

Section 502. Deposit of Bond Proceeds and Other Money. The proceeds received from the sale of the Bonds, together with other legally available funds of the City, shall be applied, as follows:

(a) \$2,930,000 of the proceeds of the Bonds shall be transferred to the paying agent for the Refunded Bonds and used to redeem the Refunded Bonds on December 1, 2017.

(b) \$55,000 of the proceeds of the Bonds shall be used to pay costs of issuing the Bonds. Any proceeds not used to pay costs of issuance by April 1, 2018 shall be transferred to the Bond Fund to pay interest on the Bonds.

Section 503. Application of Money in Bond Fund.

(a) All of the Pledged Moneys designated to pay the principal of and interest on the Outstanding Bonds shall be set aside and deposited by the City Treasurer into the Bond Fund in accordance with the terms hereof, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance. The Outstanding Bonds are secured by a pledge of all of the moneys on deposit in the Bond Fund, and such pledge is irrevocable until the obligations of the City are discharged under this Ordinance.

(b) The Pledged Moneys are to be paid to the City Treasurer by the officers who collect or receive the Pledged Moneys. The City Treasurer shall transfer and deposit the Pledged Moneys into the Bond Fund in accordance with the terms of this Ordinance. The moneys on deposit in the Bond Fund shall be used by the City solely and only for the purpose of carrying out the terms and conditions of this Ordinance and shall be deposited as hereinafter provided to the separate accounts hereby created within the Bond Fund to be known as the "Pledged Revenues Account" and the "Pledged Taxes Account."

(1) *Pledged Revenues Account.* The City Treasurer shall transfer and deposit into the Pledged Revenues Account such amount of the Pledged Revenues as may be necessary until there is accumulated and held, in cash and investments, in the Pledged Revenues Account an amount sufficient to pay the principal of and interest on the Outstanding Bonds due on the next Bond Payment Date.

(2) *Pledged Taxes Account.* The City Treasurer shall deposit the Pledged Taxes to the credit of the Pledged Taxes Account, which Pledged Taxes are irrevocably pledged and shall be used only for the purpose of paying the principal of and interest on the Outstanding Bonds.

(c) In the event that there shall be moneys to the credit of both the Pledged Revenues Account and the Pledged Taxes Account in the Bond Fund on any Interest Payment Date for the Outstanding Bonds, the Pledged Taxes Account shall be fully depleted before moneys to the credit of the Pledged Revenues Account shall be used to pay principal of or interest on the Outstanding Bonds.

Section 504. Deposits and Investment of Money.

(a) Money in each of the funds or accounts created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions with a branch or office located in the State of Illinois that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits as provided by the laws of the State of Illinois. All money held in the funds or accounts created by this

Ordinance shall be kept separate and apart from all other funds of the City so that there shall be no commingling of such funds with any other funds of the City.

(b) Money held in any fund or account referred to in this Ordinance may be invested by the City Treasurer at the direction of the City Council, in accordance with this Ordinance, in any investment permissible under the laws of the State of Illinois; provided, however, that no such investment may be made for a period extending longer than the date when the money invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any fund or account shall accrue to and become a part of such fund or account.

Section 505. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Bond have been made available to the Paying Agent, all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his or her part under this Ordinance or on, or with respect to, said Bond. If any Bond is not presented for payment within one year following the date when such Bond becomes due at Maturity, the Paying Agent shall, without liability for interest thereon, repay to the City the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 506. Payments Due on Saturdays, Sundays and Holidays. In any case where a Bond Payment Date is not a Business Day, then payment of the principal of and interest on the Bonds need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 507. Redemption of Refunded Bonds. The Refunded Bonds are hereby called for redemption and payment prior to maturity on December 1, 2017. Such bonds shall be redeemed at the principal payment office of The Bank of New York Mellon Trust Company, N.A., the paying agent for the Refunded Bonds, by the payment on the redemption date of the redemption price thereof and accrued interest thereon to the redemption date. In accordance with the requirements of the Refunded Bond Ordinance, the City Council hereby authorizes the Mayor or the City Administrator to cause notice of the call for redemption and payment of such Refunded Bonds to be given in the manner provided in the Refunded Bond Ordinance. The officers of the City and the paying agent for the Refunded Bonds are hereby authorized and directed to take such other action as may be necessary in order to effect the redemption and payment of such Refunded Bonds as herein provided.

ARTICLE VI

REMEDIES

Section 601. Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Registered Owners of the Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

- (a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Ordinance or by the constitution and laws of the State of Illinois;
- (b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and
- (c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

Section 602. Limitation on Rights of Registered Owners. The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in this Ordinance. No one or more Registered Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

Section 603. Remedies Cumulative. No remedy conferred herein upon the Registered Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Registered Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of any Registered Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the Bonds by this Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by any Registered Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to such Registered Owner, then, and in every such case, the City and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the

Registered Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE VII

DEFEASANCE

Section 701. Defeasance. When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Ordinance and the pledge of the Pledged Moneys and all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company with a branch or office located in the State of Illinois and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, money and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of and redemption premium, if any, on said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of the Bonds, and such money shall be and is hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Ordinance.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 801. Annual Audit.

(a) Annually, promptly after the end of the fiscal year, the City will cause an audit to be made of its funds and accounts for the preceding fiscal year by an independent public accountant or firm of independent public accountants.

(b) Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk. Such audits shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Registered Owner.

(c) As soon as possible after the completion of the annual audit, the governing body of the City shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Ordinance, the City shall promptly cure such deficiency.

Section 802. Amendments.

(a) The rights and duties of the City and the Registered Owners, and the terms and provisions of the Bonds or of this Ordinance, may be amended or modified at any time in any respect by Ordinance of the City with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk. No such modification or alteration may:

- (1) extend the maturity of any payment of principal or interest due upon any Bond or alter an optional Redemption Date;
- (2) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond;
- (3) permit preference or priority of any Bond over any other Bond; or
- (4) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Ordinance.

(b) Any provision of the Bonds or of this Ordinance may, however, be amended or modified by Ordinance duly adopted by the governing body of the City at any time in any legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

(c) Without notice to or the consent of any Registered Owners, the City may amend or supplement this Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the interests of the Registered Owners.

(d) Every amendment or modification of the provisions of the Bonds or of this Ordinance, to which the written consent of the Registered Owners is given, as above provided, shall be expressed in an ordinance adopted by the governing body of the City amending or supplementing the provisions of this Ordinance and shall be deemed to be a part of this Ordinance. A certified copy of every such amendatory or supplemental ordinance if any, and a certified copy of this Ordinance shall always be kept on file in the office of the City Clerk and shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance or of this Ordinance will be sent by the City Clerk to any such Registered Owner or prospective Registered Owner.

(e) Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the City Clerk a copy of the Ordinance of the City hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Registered Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

(f) The City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Ordinance which affects the duties or obligations of the Paying Agent under this Ordinance.

Section 803. Notices, Consents and Other Instruments by Registered Owners.

(a) Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Registered Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Registered Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds (other than the assignment of the ownership of a Bond as provided for in the form of Bond set forth in **Exhibit A**) if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(1) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(2) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

(b) In determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Ordinance, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this Ordinance, except that, in determining whether the Registered Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Registered Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Registered Owners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City.

Section 804. Incorporation of Preambles. The City Council hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

Section 805. Series 2017A Bonds. The Bonds and the Series 2017A Bonds shall stand on a parity and be equally and ratably secured with respect to the payment of principal and interest from the Pledged Revenues consisting of the 1/2% non-home rule sales tax imposed by the City. The Bonds shall not have any priority with respect to the payment of principal or interest from such Pledged Revenues over the Series 2017A Bonds and the Series 2017A Bonds shall not have any priority with respect to the payment of principal or interest from such Pledged Revenues or otherwise over the Bonds.

Section 806. Additional Bonds. The City reserves the right to issue Additional Bonds from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and

equally in the Pledged Revenues with the Outstanding Bonds; provided that no Additional Bonds shall be issued except in accordance with the provisions of the Debt Reform Act.

Section 807. Further Authority. The officers of the City, including the Mayor, the City Administrator, the City Treasurer and the City Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 808. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Paying Agent and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent and the Registered Owners of the Bonds.

Section 809. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 810. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Illinois.

Section 811. Effective Date. This Ordinance shall take effect and be in full force immediately from and after passage by the City Council.

Upon motion by Commissioner Owen seconded by Commissioner Hall, adopted this 2nd day of May, 2017, by a roll call vote, as follows:

Aye: Commissioner Cox, Commissioner Graven,
Commissioner Hall, Commissioner Owen,
Mayor Gover

Nay: None

Absent: None

Approved this 2nd day of May, 2017.

/s/ Tim Gover
Tim Gover, Mayor
City of Mattoon, Coles County, Illinois

ATTEST:

APPROVED AS TO FORM:

/s/ Susan J. O'Brien
Susan J. O'Brien, City Clerk

/s/ Daniel C. Jones
Daniel C. Jones, City Attorney

Recorded in the Municipality's Records on May 2, 2017.

Mayor Gover opened the floor for questions/comments/discussion with no response.

Mayor Gover declared the motion carried by the following vote: YEA Commissioner Cox, YEA Commissioner Graven, YEA Commissioner Hall, YEA Commissioner Owen, YEA Mayor Gover.

Commissioner Owen seconded by Commissioner Cox moved to adopt Resolution No. 2017-2994, approving a Tax Compliance Procedure for the City, regarding the tax-exempt bonds Series 2014 and Series 2017A.

CITY OF MATTOON, ILLINOIS

RESOLUTION NO. 2017-2994

**APPROVING A TAX COMPLIANCE PROCEDURE FOR THE
CITY OF MATTOON, COLES COUNTY, ILLINOIS**

WHEREAS, the Internal Revenue Service (the “IRS”) has advised issuers of obligations the interest on which is excludable from gross income for federal income tax purposes, to adopt separate written procedures for monitoring post-issuance federal tax requirements for such obligations; and

WHEREAS, the City Council of the City of Mattoon, Coles County, Illinois (the “City”) finds it is in the best interest of the City to adopt certain procedures to comply with the IRS directive and to improve tax law compliance and documentation with respect to the City’s outstanding obligations;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL THE CITY OF MATTOON, COLES COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. Approval of Tax Compliance Procedure. The Tax Compliance Procedure in substantially the form attached hereto as **Exhibit A** is hereby approved.

Section 2. Further Authority. The City hereby authorizes and empowers the officers and representatives of the City 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 Resolution in connection with the approval of the Compliance Procedure. All of the acts and undertakings of such officers and representatives that are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved.

Section 3. Effective Date. This Resolution shall be in full force and effect immediately upon its adoption.

PASSED by the City Council of the City of Mattoon, Coles County, Illinois, this 2nd day of May, 2017.

[Seal]

Timothy D. Gover
Mayor

ATTEST:

/s/Susan J. O'Brien
City Clerk

Mayor Gover opened the floor for questions/comments/discussion. Director and Treasurer Wright stated Bond Counsel advised the City to have a formal compliance procedure.

Mayor Gover declared the motion carried by the following vote: YEA Commissioner Cox, YEA Commissioner Graven, YEA Commissioner Hall, YEA Commissioner Owen, YEA Mayor Gover.

DEPARTMENT REPORTS:

CITY ADMINISTRATOR/COMMUNITY DEVELOPMENT apprised Council of negotiations with the Police Department union, and met with a developer interested in a strip mall in the Dettro Drive area; otherwise, business as usual. Mayor Gover opened the floor for questions with no response.

CITY ATTORNEY expressed his excitement to be here and looked forward to working with everyone. Mayor Gover opened the floor for questions with no response.

CITY CLERK noted coping with insurance issues, finalizing election matters, and the interfacing of the Clerk's Office with the Finance Department's Accounts Receivable software program. Mayor Gover opened the floor for questions with no response.

FINANCE announced the preparation of the refunding of bonds, FY17 Audit, and year-end accounting; and announced the financial statements would show last year's budgeted numbers until July when the audit commences. Mayor Gover opened the floor for questions with no response.

PUBLIC WORKS requested input from the Council on sidewalk improvements between 25th and 32nd Street and proposed a budget amendment to the Council; planned to request bids tomorrow and open bids on May 25th. Council with input from Director Barber and Administrator Gill discussed the project's options, funding, not replacing the bricks, and sidewalk width.

POLICE announced Mattoon's officers assisted in Charleston murder case with crowd control; requested funding for the pistol range to remove mold and purchase an air circulator; updated Council on the new K-9, a successful Distracted Driver program resulting in 107 citations. Council with Chief Branson discussed the program. Mayor Gover and Chief Branson mentioned the new K-9 Officer as Officer Devin Patterson.

ARTS AND TOURISM announced Bagelfest tickets were on sale and the Artworks Arts Festival and grand opening of Heritage Park to be on June 10th. Mayor Gover opened the floor for questions with no response.

COMMENTS BY THE COUNCIL

Commissioners welcomed Mr. Jones, and noted the ongoing issues with cell phone violators.

Commissioner Hall seconded by Commissioner Cox moved to adjourn at 7:15 p.m.

Mayor Gover declared the motion carried by the following vote: YEA Commissioner Cox, YEA Commissioner Graven, YEA Commissioner Hall, NAY Commissioner Owen, YEA Mayor Gover.

/s/Susan J. O'Brien
City Clerk