

ORDINANCE NO. 3514

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2020, OF THE CITY OF COLUMBIA, ST. CLAIR AND MONROE COUNTIES, ILLINOIS, PROVIDING THE DETAILS OF SUCH BONDS AND FOR APPLICABLE ALTERNATE REVENUE SOURCES AND LEVIES OF DIRECT ANNUAL TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS

WHEREAS, the City of Columbia, St. Clair and Monroe Counties, Illinois (the "Issuer"), is a non-home rule municipality duly established and operating under the Illinois Municipal Code (Section 5/1-1-1 *et seq.* of Chapter 65 of the Illinois Compiled Statutes and is entitled to receive revenues and receipts from the tax imposed upon net terminal income collected by the Illinois Gaming Board and distributed to the Municipality pursuant to the Video Gaming Act (230 ILCS 40/1 *et. seq.*) (subject to any prior lien or pledge, the "Video Gaming Receipts") imposed, collected and distributed pursuant to applicable law; and

WHEREAS, the Issuer's City Council (the "Corporate Authorities") has determined that it is advisable, necessary and in the best interests of the Issuer's public health, safety and welfare to finance the acquisition of land and improvements and renovations to City park facilities, and related facilities, improvements and costs (the "Project"); and

WHEREAS, in connection with Section 2 of Ordinance No. 3502, AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE) OF THE CITY OF COLUMBIA, MONROE AND ST. CLAIR COUNTIES, ILLINOIS, FOR THE PURPOSE OF FINANCING CERTAIN CAPITAL PROJECT COSTS, AND RELATED FACILITIES, IMPROVEMENTS AND COSTS (the "Preliminary Ordinance"), adopted March 2, 2020, and which was duly published on March 11, 2020, together with the required notice in the *Republic-Times*, published in Waterloo, Illinois, and of general circulation in Columbia, Illinois, the Issuer received no petitions, forms of petitions therefor being at all relevant times available in the office of the City Clerk; and

WHEREAS, on March 16, 2020, with notice having been published on March 4, 2020, in the *Republic-Times*, Waterloo, Illinois, the Issuer held and conducted the required public hearing under the Bond Issue Notification Act; and

WHEREAS, the Issuer has insufficient funds for the Project, and pursuant to and in accordance with the provisions of Section 15 of the Local Government Debt Reform Act (Section 350/15), as supplemented and amended, and this ordinance, the Issuer is authorized to issue its General Obligation Bonds (Alternate Revenue Source), Series 2020 (the "Bonds"), up

to the aggregate principal amount of \$900,000, for the purpose of providing funds to pay all or a portion of the costs of the Project; and

WHEREAS, the Issuer has received and accepted a request for proposal (which when fully executed or closed upon is to constitute the “**Purchase Agreement**”) from First National Bank of Waterloo, Illinois (the “**Purchaser**”), pursuant to which the Purchaser offers to purchase the Bonds at the price and bearing interest at the rates authorized in this ordinance and as described in the purchase agreement related to the Bonds; and

WHEREAS, for convenience of reference only this ordinance is divided into numbered sections with headings, which shall not define or limit the provisions hereof, as follows:

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NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA, ST. CLAIR AND MONROE COUNTIES, ILLINOIS, as follows:

Section 1. Definitions. Certain words and terms used in this ordinance shall have the meanings given them herein, including above in the preambles hereto, and the meanings

given them in this Section 1, unless the context or use clearly indicates another or different meaning is intended. Certain definitions are as follows:

“Act” means, collectively and as applicable, the Local Government Debt Reform Act (Section 350/1 *et seq.* of Chapter 30 (and particularly Section 350/15 thereof concerning alternate bonds) of the Illinois Compiled Statutes, as supplemented and amended, the Illinois Municipal Code (65 ILCS 5/1-1-1 *et seq.*), and applicable laws in connection with the imposition, distribution, receipt and application of Video Gaming Receipts (the **“Video Gaming Act”** (230 ILCS 40/1 *et. seq.*)), each as supplemented and amended, including, without limitation, by the Intergovernmental Cooperation Act [5 ILCS 220/1 *et seq.*], Section 10 (Intergovernmental Cooperation) of Article VII (Local Government) of the Constitution of the State of Illinois, the Registered Bond Act, the Illinois Bond Replacement Act and the Bond Authorization Act.

“Alternate Bonds” means **“alternate bonds”** as described in Section 15 of the Local Government Debt Reform Act (Section 350/15 of Chapter 30 of the Illinois Compiled Statutes), and includes expressly the Series 2020 Bonds.

“Bona fide debt service fund” means a fund or account that: (1) is used primarily to achieve a proper matching of revenues with principal and interest payments within each bond year; and (2) is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of: (i) the earnings on the fund for the immediately proceeding bond year; or (ii) one-twelfth of the principal and interest payments on the issue for the immediately preceding Bond Year.

“Bond” or **“Bonds”** means the Issuer’s General Obligation Bonds (Alternate Revenue Source), Series 2020, as authorized to be issued by this ordinance, as supplemented and amended.

“Bond Order” means a certificate signed by the Mayor, and attested by the City Clerk and under the seal of the Issuer, setting forth and specifying details for the Bonds, including, as the case may be, identification of a Policy and an Insurer, book-entry only registration, series designation, payment dates, final interest rates, final maturity schedule, optional and mandatory redemption provisions, specification of Pledged Taxes in each applicable levy year, reoffering premiums, original issue discount (“OID”), Term Bonds, status as **“qualified tax-exempt obligations”**, identification of specific Pledged Revenues, specification of the revenue obligation period and parity status, Pledged Taxes, and designation of the Bond Registrar and/or Paying Agent or other fiscal agents, subject to not exceeding the specified aggregate principal amount authorized for the Bonds or any increase in the aggregate taxes levied in each year in Section 10, pursuant to this ordinance.

“Bond Year” means each annual period of December 2 to the next December 1, for the Bonds, subject to such lawful elections as the Issuer may make.

“Code” means the Internal Revenue Code of 1986, as amended, and includes related and applicable Income Tax Regulations promulgated by the Treasury Department.

“Corporate Authorities” means the City Council of the Issuer.

“Debt Service Account” means the applicable Debt Service Account for the Bonds.

“Depository” means a securities depository with respect to Bonds subject to global book entry registration, initially The Depository Trust Company (“DTC”), New York, New York.

“Federal Tax Certificate” means the Federal Tax Certificate of the Issuer assuring compliance with the applicable provisions of the Code necessary to maintain the exclusion from federal gross income of the interest on the Bonds.

“Fiscal Year” means the twelve-month period constituting the Issuer’s fiscal year, not inconsistent with applicable law.

“Insurer” means, if any, the issuer of a Policy securing payment of one or more series of Bonds.

“Issuer” means the City of Columbia, St. Clair and Monroe Counties, Illinois.

“Junior Bond” means any Outstanding bond or Outstanding bonds payable from an applicable Junior Debt Service Account, in this case the **“Junior Debt Service Account”**, and includes expressly the Bonds.

“Outstanding”, when used with reference to any referenced obligation, means any referenced obligation which is outstanding and unpaid; provided, however, such term shall not include obligations: (i) which have matured and for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient to pay all principal and interest thereof, or (ii) the provision for payment of which has been made by the Issuer by the deposit in an irrevocable trust or escrow of funds of direct, full faith and credit non-callable obligations of the United States of America, the principal and interest of which will be sufficient to pay at maturity or as called for redemption all the principal of and applicable premium on such obligations, and will not result in the loss of the exclusion from gross income of the interest thereon under Section 103 of the Code.

“Parity Bonds” means bonds or any other obligations which share ratably and equally in the applicable Pledged Revenues with either the Senior Bonds or the Junior Bonds, as set forth and provided for in any such ordinance authorizing the issuance of any such Parity Bonds.

“Pledged Revenues” means Video Gaming Receipts constituting **“revenue sources”**.

“Pledged Taxes” means the Pledged Taxes levied in Section 10, as may be supplemented by an applicable Bond Order, to secure and pay the Bonds.

“Policy” means an Insurer’s bond insurance policy or other credit facility securing payment of one or more series of Bonds.

“Purchase Agreement” means the Bond Purchase Agreement with the Purchaser for the purchase of the Bonds, which upon acceptance and execution by the Issuer and the Purchaser constitutes the Purchase Agreement for the Bonds.

“Purchaser” means First National Bank of Waterloo, in Waterloo, Illinois, the purchaser in connection with the Bonds.

“Qualified Investments” means legal investments of the Issuer under applicable law, limited and restricted with respect to any applicable Insurer’s Policy.

“Video Gaming Receipts” shall have the meaning above in the recitals in the preamble to this ordinance.

“Revenues” means Video Gaming Receipts.

“Senior Bond” means any Outstanding bond or Outstanding bonds payable from the applicable Senior Debt Service Account of the Bond and Interest Account of the Fund.

“Tax Compliance Procedure” means the separate written procedures of the Issuer regarding ongoing compliance with the federal tax requirements for tax-exempt bonds adopted to improve and promote tax law compliance and documentation.

“Term Bonds” means, if any, as set forth herein or in a Bond Order, one or more maturities of the Bonds specified as Term Bonds.

“Yield Reduction Payments” or **“yield reduction payments”** shall have the meaning in Income Tax Regulations Section 1.148-5(c).

“Yield Restricted” or **“yield restricted”** with reference to an obligation means that the yield thereon is limited to the yield on the Bonds.

“Yield” or **“yield”** means yield computed under Section 1.148-4 of the Income Tax Regulations for the Bonds, and yield computed under Section 1.148-5 of the Income Tax Regulations for an investment.

Section 2. Preambles, Authority and Purpose. The Corporate Authorities hereby find that all the recitals contained in the preambles and recitals to this ordinance are true, complete and correct, and hereby incorporate them into this ordinance by this reference thereto. This ordinance is adopted pursuant to the Constitution and applicable laws of the State of Illinois, including the Act, for the purpose of paying all or part of the costs of the Project and

including costs of issuance of the Bonds. The Corporate Authorities hereby determine the remaining period of usefulness of the Project to be not less than twenty (20) years from the later of the expected date of delivery of the Bonds.

Section 3. Authorization and Terms of Bonds. To meet all or a part of the estimated costs of financing the Project, there is hereby appropriated the sum to be derived from the proceeds of the Bonds. For the purpose of financing such appropriation, the Bonds of the Issuer shall be issued and sold from time to time in the aggregate principal amount set forth herein, shall be in one series designated: **General Obligation Bonds (Alternate Revenue Source), Series 2020** (\$900,000 maximum aggregate principal amount), and shall be issuable in the denominations of \$5,000 each or any authorized integral multiple thereof.

(a) **General Terms.** The Bonds shall be numbered consecutively from 1 upwards in order of their issuance and may bear such identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of the Bonds. Unless otherwise determined in an order to authenticate the Bonds, not inconsistent herewith, each Bond shall be dated as of the date of issuance thereof. The Bonds shall mature in the principal amount on December 1 of each of the years and shall bear interest at the rates percent per annum, as follows:

<u>Year</u>	<u>Principal Amount(\$)</u>	<u>Interest Rate(%)</u>	<u>Year</u>	<u>Principal Amount(\$)</u>	<u>Interest Rate(%)</u>
2021	45,000	1.95	2031	45,000	2.75
2022	45,000	2.00	2032	45,000	2.85
2023	45,000	2.05	2033	45,000	3.00
2024	45,000	2.10	2034	45,000	3.10
2025	45,000	2.15	2035	45,000	3.15
2026	45,000	2.25	2036	45,000	3.20
2027	45,000	2.35	2037	45,000	3.25
2028	45,000	2.45	2038	45,000	3.30
2029	45,000	2.55	2039	45,000	3.35
2030	45,000	2.65	2040	45,000	3.40

Each Bond shall bear interest from its date, or from the most recent interest payment date to which interest has been paid, computed on the basis of a 360-day year consisting of twelve 30-day months, and payable in lawful money of the United States of America annually on each December 1, commencing December 1, 2020, at the rates percent per annum set forth above. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the designated office of First National Bank of Waterloo, in Waterloo, Illinois, as the Paying Agent for the Bonds (including its successors, the **“Paying Agent”**). Interest on the Bonds shall be payable on each interest payment date to the registered owners of record appearing on the registration books maintained by First National Bank of Waterloo, in Waterloo, Illinois, as the Bond Registrar on behalf of the Issuer for such purpose (including its successors, the **“Bond Registrar”**), at the designated office of the Bond Registrar as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the applicable interest

payment date. Interest on the Bonds shall be paid by check or draft mailed by the Paying Agent to such registered owners at their addresses appearing on the registration books.

(b) Redemption. The Bonds are subject to optional redemption prior to maturity on December 1, 2028 and thereafter, in whole or in part on any date, in such order of maturity as specified by the Issuer (but in inverse order if there is no specification) at a redemption price equal to the principal amount to be so redeemed, plus accrued interest to the date fixed for redemption.

(ii) Procedure. The Issuer covenants that it will redeem Bonds pursuant to the redemption provisions applicable to such Bonds. Proper provision for redemption having been made, the Issuer covenants that the Bonds so selected for redemption shall be payable as at maturity.

The Issuer shall, at least 30 days prior to an optional redemption date (unless a shorter time shall be satisfactory to the Bond Registrar), notify the Bond Registrar of any optional redemption date and of the principal amount of Bonds to be redeemed. In the event that less than all of the Bonds of a particular series or maturity are called for redemption as aforesaid, as necessary, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than sixty (60) days or less than thirty (30) days prior to the redemption date by the Bond Registrar by such method as the Bond Registrar shall deem fair and appropriate; provided, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall promptly notify the Issuer in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Unless waived by the registered owner of Bonds to be redeemed, presentment for payment being conclusively such a waiver, notice of any such redemption shall be given by the Bond Registrar on behalf of the Issuer by mailing the redemption notice by first class mail not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by each such registered owner to the Bond Registrar.

All notices of redemption shall include at least the information as follows: (1) the identification of the particular Bonds to be redeemed; (2) the redemption date; (3) the redemption price; (4) if less than all of the Bonds of a particular maturity are to be redeemed, the identification numbers and maturities (and, in the case of partial redemption of any Bond, the respective principal amounts) of the Bonds to be redeemed; (5) 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 such date; and (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal payment office of the Paying Agent.

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

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, together with accrued interest, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Neither the failure to mail such redemption notice nor any defect in any notice so mailed to any particular registered owner of a Bond shall affect the sufficiency of such notice with respect to any other registered owner. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or the redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Upon surrender of such Bonds for redemption in accordance with such notice, such Bonds shall be paid from available funds therefor by the Paying Agent at the redemption price. Interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for the partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

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

In addition to the foregoing notice set forth above, further notice shall be given by the Bond Registrar on behalf of the Issuer as set out below, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any series or other descriptive information needed to identify accurately the Bonds being redeemed.

Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services, chosen in the discretion of the Bond Registrar, that disseminate notice of redemption of obligations such as the Bonds.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify the series and the Bond or Bonds, or portion thereof, being redeemed with the proceeds of such check or other transfer.

Section 4. Registration of Bonds and Book-Entry. The Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein and related to book-entry only registration.

(a) General. This subsection (a) is subject to the provisions of subsection (b) concerning book-entry only provisions. The Issuer shall cause books (the “**Bond Register**”) for the registration and for the transfer of the Bonds as provided in this ordinance to be kept at the principal payment office of the Bond Registrar, which is hereby constituted and appointed the Bond Registrar of the Issuer. The Issuer is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the Issuer for use in the issuance from time to time of the Bonds and in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal payment office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owners attorney duly authorized in writing, the Issuer shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same series and maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same series and maturity of other authorized denominations. The execution by the Issuer of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the fifteenth (15th) day of the calendar month next preceding any interest payment date on such Bond and ending on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for prepayment has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of prepayment and redemption of any Bonds.

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

No service charge shall be made for any transfer or exchange of Bonds, but the Issuer or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds

exchanged in the case of the issuance of a Bond or Bonds for the outstanding portion of a Bond surrendered for redemption. In the event 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.

The Mayor or City Treasurer may, in his or her discretion at any time, designate a bank with trust powers or trust company, duly authorized to do business as a bond registrar, paying agent, or both, to act in one or both such capacities hereunder, in the event the Mayor or City Treasurer shall determine it to be advisable. Notice shall be given to the registered owners of any such designation in the same manner, as near as may be practicable, as for a notice of redemption of Bonds, and as if the date of such successor taking up its duties were the redemption date.

(b) Book-Entry-Only Provisions. Unless otherwise set forth in a Bond Order, the Bonds shall be issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register therefor in a street name (initially “**Cede & Co.**” for DTC) of the Depository, or any successor thereto, as nominee of the Depository. The outstanding Bonds from time to time may be registered in the Bond Register in a street name, as nominee of the Depository. The Issuer’s Mayor or City Treasurer is authorized to execute and deliver on behalf of the Issuer such letters to or agreements with the Depository as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the “**Representation Letter**”). Without limiting the generality of the authority given to the Mayor or City Treasurer with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interest therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of a nominee of the Depository, the Issuer and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “**Depository Participant**”) or to any person on behalf of whom such a Depository Participant or an Indirect Participant holds an interest in the Bonds (an “**indirect participant**” or a “**beneficial owner**”). Without limiting the meaning of the foregoing, the Issuer and the Bond Registrar or Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the nominee, or any Depository Participant, Indirect Participant or Beneficial Owner, with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository Participant

or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds.

As long as the Bonds are held in a book-entry-only system, no person other than the nominee of the Depository, or any successor thereto, as nominee for the Depository, shall receive a Bond certificate with respect to any Bonds. Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new nominee in place of the prior nominee, and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds as of the close of business on the fifteenth (15th) day (whether or not a business day) of the month next preceding the applicable interest payment date, the reference herein to nominee in this ordinance shall refer to such new nominee of the Depository.

In the event that (a) the Issuer determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the Issuer, the Bond Registrar, the Paying Agent and the Depository evidenced by the Representation Letter shall be terminated for any reason or (c) the Issuer determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall notify the Depository and the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of a nominee of the Depository. At that time, the Issuer may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer does not select such alternate book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof. Notwithstanding any other provision of this ordinance to the contrary, so long as any Bond is registered in the name of a nominee of the Depository, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

Section 5. Execution and Authentication. Each Bond shall be executed in the name of the Issuer by the manual or authorized facsimile signature of its Mayor and the corporate seal of the Issuer, or a facsimile thereof, shall be thereunto affixed, impressed or otherwise reproduced or placed thereon and attested by the manual or authorized facsimile signature of its City Clerk. Temporary Bonds, in lieu of or preliminary to the availability of Bonds in definitive form, shall be and are hereby authorized and approved. Typewritten Bonds are authorized in the event Section 4(b) applies.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any Bond shall cease to hold such office before the issuance of such Bond, such Bond shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature, or a facsimile thereof, appears on such Bond had not ceased to hold such office. Any Bond may be signed, sealed or attested on behalf of the Issuer by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond such person may not hold such office. No recourse shall be had for the payment of any Bonds against any

member of the Corporate Authorities or any officer or employee of the Issuer (past, present or future) who executes the Bonds, or on any other basis.

Each Bond shall bear thereon a certificate of authentication executed manually by the Bond Registrar. No Bond shall be entitled to any right or benefit under this ordinance or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Bond Registrar. Such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of or signer for the Bond Registrar, but it shall not be necessary that the same signer or officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 6. Transfer, Exchange and Registration. Each Bond shall be transferable only upon the registration books maintained by the Bond Registrar on behalf of the Issuer for that purpose at the principal office of the Bond Registrar, by the registered owner thereof in person or by such registered owners attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar and duly executed by the registered owner or such registered owners duly authorized attorney. Upon the surrender for transfer of any such Bond, the Issuer shall execute and the Bond Registrar shall authenticate and deliver a new Bond or Bonds registered in the name of the transferee of the same aggregate principal amount, maturity and interest rate as the surrendered Bond. Bonds, upon surrender thereof at the principal office of the Bond Registrar, with a written instrument satisfactory to the Bond Registrar, duly executed by the registered owner or such registered owners attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate and of the denomination of \$5,000 each or any authorized integral multiple thereof, less previous retirements.

For every such exchange or registration of transfer of Bonds, the Issuer or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making such transfer or exchange. The provisions of the Illinois Bond Replacement Act shall govern the replacement of lost, destroyed or defaced Bonds.

The Issuer, the Paying Agent and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered upon the registration books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon such registered owners order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

Section 7. Bond Registrar and Paying Agent. The Bond Registrar and Paying Agent with respect to this ordinance and the Bonds shall be the financial institution or officer specified in a Bond Order. The Issuer covenants that it shall at all times retain a Bond Registrar and Paying Agent with respect to the Bonds and shall cause to be maintained at the office of such Bond Registrar a place where Bonds may be presented for registration of transfer or exchange, that it will maintain at the designated office of the Paying Agent a place where Bonds may be presented for payment, that it shall require that the Bond Registrar maintain proper registration books and that it shall require the Bond Registrar and Paying Agent to perform the other duties and obligations imposed upon each of them by this ordinance in a manner consistent with the standards, customs and practices concerning municipal securities. The Issuer may enter into appropriate agreements with any Bond Registrar and any Paying Agent in connection with the foregoing, including as follows:

- (a) to act as Bond Registrar, authenticating agent, Paying Agent and transfer agent as provided herein;
- (b) to maintain a list in the Bond Register of the registered owners of the Bonds as set forth herein and to furnish such list to the Issuer upon request, but otherwise to keep such list confidential;
- (c) to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;
- (d) to give notices of redemption of Bonds to be redeemed;
- (e) to furnish the Issuer at least annually a certificate with respect to Bonds cancelled and/or destroyed; and
- (f) to furnish the Issuer at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

In any event, the Bond Registrar and Paying Agent shall comply with (a) - (f) above.

The Bond Registrar and Paying Agent shall signify their acceptances of the duties and obligations imposed upon them by this ordinance. The Bond Registrar by executing the certificate of authentication on any Bond shall be deemed to have certified to the Issuer that it has all requisite power to accept, and has accepted, such duties and obligations, including in the case of Amalgamated Bank of Chicago, as Paying Agent, not only with respect to the Bond so authenticated but with respect to all of the Bonds. The Bond Registrar and Paying Agent are the agents of the Issuer for such purposes and shall not be liable in connection with the performance of their respective duties except for their own negligence or default. The Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on the Bonds.

The Issuer may remove the Bond Registrar or Paying Agent at any time. In case at any time the Bond Registrar or Paying Agent shall resign (such resignation to not be effective until a successor has accepted such role) or shall be removed or shall become incapable of

acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Bond Registrar or Paying Agent, or of its property, shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or Paying Agent or of their respective properties or affairs, the Issuer covenants and agrees that it will thereupon appoint a successor Bond Registrar or Paying Agent, as the case may be. The Issuer shall mail or cause to be mailed notice of any such appointment made by it to each registered owner of Bonds within twenty (20) days after such appointment. Any Bond Registrar or any Paying Agent appointed under the provisions of this Section 7 shall be an offer of the Issuer or a bank, trust company or other qualified professional with respect to such matters, authorized to exercise such functions in the State of Illinois.

The Issuer shall provide to the Bond Registrar and Paying Agent a copy of any amendment to this ordinance or to the Bonds.

Section 8. Alternate Bonds; General Obligations. The Bonds are and constitute Alternate Bonds under the Local Government Debt Reform Act, anticipated to be payable from applicable Pledged Revenues as Junior Bonds. The Bonds, regardless of the date or dates of their issuance, are on parity with each other and the Parity Bonds and shall share equally and ratably as to payment in the Pledged Revenues applicable to the Bonds. Under and pursuant to Section 15 of the Local Government Debt Reform Act, the full faith and credit of the Issuer are hereby irrevocably pledged to the punctual payment of the principal of, premium, if any, and interest on Bonds; and the Issuer shall be obligated to levy ad valorem taxes upon all the taxable property within the Issuer's corporate limits, for the payment when due of the Bonds and the interest thereon, without limitation as to rate or amount (such ad valorem taxes being the "Pledged Taxes"), as provided herein.

(a) Coverage. The Pledged Revenues for the Bonds are hereby determined by the Corporate Authorities to be sufficient to provide for or pay in each year to final maturity of the Bonds, as applicable, the following: (1) the debt service on all Outstanding revenue bonds payable from Pledged Revenues, (2) all amounts required to meet any fund or account requirements with respect to such Outstanding revenue bonds, (3) other contractual or tort liability obligations, if any, payable from such Pledged Revenues, and (4) in each year, an amount not less than 1.25 times debt service of all (i) Alternate Bonds payable from such Pledged Revenues previously issued and outstanding, and (ii) Alternate Bonds payable from such Pledged Revenues proposed to be issued, including the Bonds. The Pledged Revenues shall be and are hereby determined by the Corporate Authorities to provide in each year an amount not less than 1.25 times debt service (as defined in Section 2 of the Local Government Debt Reform Act) of Alternate Bonds payable from such sources previously issued and outstanding and Alternate Bonds proposed to be issued. Such conditions enumerated need not be met for that amount of debt service (as defined in Section 2 of the Local Government Debt Reform Act) provided for by the setting aside of proceeds of bonds or other moneys at the time of the delivery of such bonds. The Pledged Revenues are hereby determined by the Corporate Authorities to provide in each year all amounts required to meet any fund or account requirements with respect to this ordinance, any contractual or tort liability obligations, if any, payable from Pledged Revenues, and an amount not less than 1.25 times debt service (as defined in Section 2 of the

Local Government Debt Reform Act) of all of the Outstanding Bonds payable from such Pledged Revenues.

(b) Audit/Report Sufficiency. The determination of the sufficiency of the Pledged Revenues is expected to be supported by reference to the most recent audit of the Issuer, which is for a Fiscal Year ending not earlier than 18 months previous to the time of issuance of the Alternate Bonds. If such Pledged Revenues are otherwise shown to be insufficient, the determination of sufficiency, if applicable law so requires, and not otherwise, shall be supported by the “**report**” of an independent accountant or feasibility analyst, the latter having a national reputation for expertise in such matters, demonstrating the sufficiency of such revenues and explaining, if appropriate, by what means the Pledged Revenues will be greater than as shown in the audit.

Section 9. Form of Bonds. Unless Bonds in typewritten form are accepted or in any contract for the sale of the Bonds the purchaser or purchasers of the Bonds shall agree to accept typewritten or other temporary Bonds preliminary to the availability of, or in lieu of, Bonds in printed form prepared in compliance with the National Standard Specifications for Fully Registered Municipal Securities prepared by the American National Standards Institute, Bonds shall comply therewith, and in any event shall be in substantially the following forms [provided, however, that appropriate insertions, deletions and modifications in the form of the Bonds may be made, including as to the custom of printing Bonds in part on the front and back of certificates, a payment schedule and the issuance of a single Bond for each maturity, as the Purchaser thereof agrees or accepts, in an appropriate form approved by Bond Counsel, not inconsistent herewith]:

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[FORM OF BOND]

UNITED STATES OF AMERICA
STATE OF ILLINOIS
THE COUNTIES OF ST. CLAIR AND MONROE
CITY OF COLUMBIA
GENERAL OBLIGATION BOND
(ALTERNATE REVENUE SOURCE)
SERIES 2020

REGISTERED NO. _____

REGISTERED \$ _____

INTEREST RATE: Maturity Date: Dated Date: CUSIP:

Registered Owner:

Principal Amount:

KNOW ALL BY THESE PRESENTS that the City of Columbia (the "Issuer"), situated in The Counties of St. Clair and Monroe, in the State of Illinois, acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, and to pay interest on such Principal Amount from the later of the Dated Date hereof or the most recent interest payment date to which interest has been paid, at the Interest Rate per annum set forth above, computed on the basis of a 360-day year consisting of twelve 30-day months and payable in lawful money of the United States of America annually on the first (1st) days of December in each year, commencing December 1, 2020, until the Principal Amount hereof shall have been paid, by check or draft mailed to the Registered Owner of record hereof as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding such interest payment date, at the address of such Registered Owner appearing on the registration books maintained for such purpose at the designated principal office of First National Bank of Waterloo, Waterloo, Illinois, as Bond Registrar (including its successors, the "**Bond Registrar**"). This Bond, as to principal and premium, if any, when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the principal office of First National Bank of Waterloo, In Waterloo, Illinois, as Paying Agent (including its successors, the "**Paying Agent**"). [Interest on each Bond also may be payable by wire or electronic transfer to (and at the expense of) any registered owner of a Bond or Bonds (as of the applicable record date) holding an aggregate principal amount of \$500,000 or more when such registered owner shall have requested such wire or electronic transfer payment to a bank in the continental United States by written instruction (with sufficient directions, including bank address and routing and account numbers) to the Paying Agent at least fifteen (15) days prior to an interest payment date.] The Bonds are payable from the receipts derived by the Issuer from certain Pledged Revenues (that is, Video Gaming Receipts, as defined in the Bond Ordinance); and although it is expected, and has been certified, that the Bonds are to be paid from such Video Gaming Receipts, which

Pledged Revenues are pledged to the payment thereof, second, junior and subordinate to any bonds or other obligations thereon having or to have a prior claim, the full faith and credit of the Issuer, including the power to levy taxes without limit as to rate or amount are irrevocably pledged for the punctual payment of the principal of and interest on this Bond and each Bond of the series of which it is a part, according to the terms thereof.

This Bond is one of a series of Bonds issued in the aggregate principal amount of \$900,000, which are all of like tenor, except as to maturity, interest rate and right of and redemption, and which are authorized and issued under and pursuant to and in accordance with Ordinance No. 3514, adopted by the City Council of the Issuer on April 20, 2020, and entitled: "AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2020, OF THE CITY OF COLUMBIA, ST. CLAIR AND MONROE COUNTIES, ILLINOIS, PROVIDING THE DETAILS OF SUCH BONDS AND FOR ALTERNATE REVENUE SOURCES AND THE LEVY OF DIRECT ANNUAL TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS" (with respect to which undefined terms herein shall have the meanings therein, the "**Bond Ordinance**", as supplemented and amended), pursuant to the Constitution and laws of the State of Illinois, including Section 15 of the Local Government Debt Reform Act (Section 350/15 of Chapter 30 of the Illinois Compiled Statutes, in connection with "**alternate bonds**", as supplemented and amended), and applicable law in connection with the imposition, distribution, receipt and application of the revenue source, including by the Registered Bond Act, the Illinois Bond Replacement Act and the Bond Authorization Act. The Bonds are issued to pay costs of the acquisition of land and improvements and renovations to City park facilities, and related facilities, improvements and costs.

The Bonds are subject to optional redemption prior to maturity on and after December 1, 2028, in whole or in part on any date, in any order of maturity specified (but in inverse order if none is specified), at a redemption price of par, plus accrued interest to the date fixed for redemption.

In the event of the redemption of less than all the Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be \$5,000 or an authorized integral multiple thereof, and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each \$5,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

The Issuer shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the redemption date, together with interest to such redemption date, prior to the redemption date. Notice of the redemption of Bonds shall be given by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for such redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on the registration books therefor. The

Bonds or portions thereof specified in such notice shall become due and payable at the redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, remain on deposit with the Paying Agent, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner), then from and after the redemption date interest on such Bonds or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a Bond, the Issuer shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the registered owner thereof, for the unredeemed balance of the Bond so surrendered, Bonds of like maturity and of the denomination of \$5,000 or any authorized integral multiple thereof.

All notices of redemption shall include at least the information as follows: (1) the redemption date; (2) the redemption price; (3) if less than all of the Bonds of a given maturity are to be redeemed, the identification and, in the case of partial redemption of the Bonds, the respective principal amounts 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 such date; and (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent.

This Bond is transferable only upon the registration books therefor by the Registered Owner hereof in person, or by such Registered Owners attorney duly authorized in writing, upon surrender hereof at the designated principal office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or by such Registered Owners duly authorized attorney, and thereupon a new registered Bond or Bonds, in the denominations of \$5,000 or any authorized integral multiple thereof and of the same aggregate principal amount as this Bond shall be issued to the transferee in exchange therefor. In like manner, this Bond may be exchanged for an equal aggregate principal amount of Bonds of any authorized denomination.

The Bond Registrar shall not be required to exchange or transfer any Bond during the period from the fifteenth (15th) day of the month next preceding any interest payment date and ending on such interest payment date or during a period of fifteen (15) days next preceding the mailing of a notice of redemption which could designate all or a part of such Bond for redemption, nor to transfer or exchange any Bond after notice calling such Bond for prepayment has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of prepayment and redemption of any Bonds. The Issuer or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this Bond. No other charge shall be made for the privilege of making such transfer or exchange. The Issuer, the Paying Agent and the Bond Registrar may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, premium, if any, and interest due hereon and for all other purposes whatsoever, and all such payments so made to such Registered Owner or upon such Registered Owners order shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid, and neither

the Issuer nor the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of any Bonds against the Mayor or any member of the City Council or any other officer or employee of the Issuer (past, present or future) who executes any Bonds, or on any other basis. The Issuer may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

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

The Issuer has designated the Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this Bond in order to make it a legal, valid and binding general obligation of the Issuer have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of Bonds of which this Bond is one, together with all other indebtedness of the Issuer is within every debt or other limit prescribed by law.

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IN WITNESS WHEREOF, the City of Columbia, St. Clair and Monroe Counties, Illinois, has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its City Clerk, all as of the Dated Date set forth above.

(SEAL)
Attest:

CITY OF COLUMBIA,
St. Clair and Monroe Counties, Illinois

City Clerk

Mayor

CERTIFICATE OF AUTHENTICATION

Dated: _____

This is one of the General Obligation Bonds (Alternate Revenue Source), Series 2020, described in the within mentioned Bond Ordinance.

FIRST NATIONAL BANK OF WATERLOO
Waterloo, Illinois, as Bond Registrar

By: _____
Authorized Signer

**Bond Registrar and
Paying Agent:** First National Bank of Waterloo
Waterloo, Illinois

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto _____

[Name, Address and Tax Identification Number of Assignee]
the within Bond and hereby irrevocably constitutes and appoints _____
attorney to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

Dated _____

Signature

Signature Guarantee By:

(Name of Eligible Guarantor Institution as defined
by SEC Rule 17 Ad-15 (17 CFR 240.1 Ad-15))

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

Section 10. Levy and Extension of Taxes. For the purpose of providing the money required to pay the interest on the Bonds when and as the same falls due and to pay and discharge the principal thereof as the same shall mature, there shall be levied upon all the taxable property in the City of Columbia, Illinois, in each year while any of the Bonds shall be outstanding, a direct annual tax in each of the years 2020 through 2039, inclusive, sufficient for that purpose, in addition to all other taxes, and in the amounts for each year (the "Pledged Taxes"), as follows:

<u>For the Year</u>	<u>A Tax Sufficient to Produce the Sum of (\$):</u>
2020	69,233 for principal and interest
2021	68,355 for principal and interest
2022	67,455 for principal and interest
2023	66,533 for principal and interest
2024	65,588 for principal and interest
2025	64,620 for principal and interest
2026	63,608 for principal and interest
2027	62,550 for principal and interest
2028	61,448 for principal and interest
2029	60,300 for principal and interest
2030	59,108 for principal and interest
2031	57,870 for principal and interest
2032	56,588 for principal and interest
2033	55,238 for principal and interest
2034	53,843 for principal and interest
2035	52,425 for principal and interest
2036	50,985 for principal and interest
2037	49,523 for principal and interest
2038	48,038 for principal and interest
2039	46,530 for principal and interest

The Municipality hereby pledges funds on hand in the amount of \$13,194 to pay debt service on December 1, 2020.

To the extent lawful, interest or principal coming due at any time when there shall be insufficient funds on hand to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the taxes herein levied; and when such taxes shall have been collected, reimbursement shall be made to such fund or funds from which such advance was made in the amounts thus advanced.

As soon as this ordinance becomes effective, a copy thereof, certified by the City Clerk of the Issuer, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerk of St. Clair and Monroe Counties, Illinois, who is hereby directed to ascertain the rate percent required to produce the aggregate tax provided to be levied in the years set forth above and to extend the same for collection on the tax books in connection with other taxes levied in each of such years, in and by the Issuer for general corporate purposes of the Issuer, and in each of such years such annual tax shall be levied and collected in like manner as taxes for general corporate purposes for each of such years are levied and collected and, when

collected, such taxes shall be used solely for the purpose of paying the principal of and interest on the Bonds herein authorized as the same become due and payable.

The Issuer covenants and agrees with the registered owners of the Bonds that so long as any of the Bonds remain Outstanding, the Issuer will not cause the abatement of the foregoing taxes and otherwise will take no action or fail to take any action which in any way would adversely affect the ability of the Issuer to levy and collect the foregoing taxes, unless and to the extent there then shall be moneys irrevocably on deposit therefor in the applicable debt service account established under Section 12 below. The Issuer 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 debt service account established in Section 12 below to pay the principal of and interest on the Bonds; and whenever the debt service deposit requirements in this paragraph have been satisfied, the Corporate Authorities shall duly direct the abatement of the Pledged Taxes for the year with respect to which such taxes have been levied, to the extent so satisfied, and appropriate certification of such abatement shall be timely filed with the County Clerk of St. Clair and Monroe Counties in connection with such abatement.

If for any reason there is abatement of such levy of taxes and the failure thereafter to pay debt service in respect of such abatement, the additional amount, together with additional interest accruing, shall be added to the tax levy in the year of, or the next year following, such failure.

Section 11. Sale of Bonds; Related Agreements. The Mayor, City Clerk and City Treasurer are hereby authorized to proceed, without any further authorization or direction whatsoever from the Corporate Authorities, to sell and deliver the Bonds, upon the terms as prescribed in this Section and in the Bond Order, as applicable.

Subject to the foregoing paragraph, the Purchase Agreement, the Tax Compliance Procedure, and the Federal Tax Certificate, in substantially the forms thereof presented before the meeting of the Corporate Authorities at which this ordinance is adopted, shall be and are hereby approved and authorized to be executed, delivered and performed.

All things done with respect to the Purchase Agreement by the Issuer's Mayor, City Clerk, City Treasurer or City Attorney, in connection with the issuance and sale of the Bonds, shall be and are hereby in all respects ratified, confirmed and approved. The Mayor, City Clerk, City Treasurer, City Attorney and other officials of the Issuer are hereby authorized and directed to do and perform, or cause to be done or performed for or on behalf of the Issuer, each and every thing necessary for the issuance of the Bonds, including the proper execution, delivery and performance by the Issuer of the Purchase Agreement, the Tax Compliance Procedure, the Federal Tax Certificate and related instruments and certificates, such documents to be in substantially the form presented at the meeting of the Corporate Authorities in which this ordinance is adopted, with such changes therein as the officers executing them shall approve, and the purchase by and delivery of the Bonds to or at the direction of the Purchaser.

No elected or appointed officer of the Issuer is in any manner interested, directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation in the Purchase Agreement.

Section 12. Funds and Accounts. Upon the issuance of any of the Bonds, the Issuer shall continue to be operated on a Fiscal Year basis. All of the Pledged Revenues shall be set aside as collected and be deposited into a separate fund to be designated as the Issuer's "Revenue Fund" (the "Fund"). Such Fund shall constitute a trust fund for the purpose of carrying out certain covenants, terms, and conditions of this ordinance, and shall be used only in providing an adequate depreciation fund (at the Issuer's sole discretion), paying the principal of and interest on all revenue and/or alternate bonds of the Issuer which by their terms are payable from the Pledged Revenues, and providing for the establishment of and expenditure from the respective accounts as described in this ordinance.

In the Fund, there shall be created or continued, as the case may be, "**Bond and Interest Account**" (within which may be a "**Senior Debt Service Account**" and there shall be a "**Junior Debt Service Account**", and the "**Surplus Account**").

In the Fund, there shall be credited and paid into the Junior Debt Service Account, on or before the first day of each month after any Bonds are issued, by the City Treasurer or other appropriate financial officer of the Issuer, without any further official action or direction than this ordinance, in the order in which such Accounts are hereinafter mentioned (provided that any Pledged Taxes and any revenue source receipts with respect to the Bonds shall be deposited directly into, as applicable, a "**Pledged Taxes Subaccount**" and "**Video Gaming Receipts Subaccount**" of the applicable Junior Debt Service Account), subject to the requirements of any account having a prior claim, all moneys in the applicable Revenue Fund in accordance with the following provisions:

(a) **Senior Debt Service Account.** There shall be credited to the Senior Debt Service Account and held, in cash and investments, a fractional amount of the interest becoming due on the next succeeding interest payment date on all Outstanding Senior Bonds, if any, payable from each such Account and also a fractional amount of the principal becoming due or subject to mandatory redemption on the next succeeding principal maturity or mandatory redemption date of all of the Outstanding Senior Bonds, if any, payable from each such Account until there shall have been accumulated and held, in cash and investments, in the Senior Debt Service Account in or before the month preceding such maturity date of interest or maturity or mandatory redemption date of principal, an amount sufficient to pay such principal or interest, or both.

All moneys in each such Account shall be used only for the purpose of paying interest on and principal of applicable Outstanding Senior Bonds, if any.

(b) **Junior Debt Service Account:** After the initial deposit required by Section 13, there shall be deposited and credited to the Junior Debt Service Account and held, in cash and investments, a fractional amount (not less than 1/6) of the interest becoming due on the next succeeding interest payment date on all Outstanding Junior Bonds and also a fractional amount

(not less than 1/12) of the principal becoming due (or subject to mandatory redemption) on the next succeeding principal maturity date of all of the Outstanding Junior Bonds until there shall have been accumulated and held in cash and investments in each such Account on or before the month preceding such interest payment date or principal maturity date, or both, an amount sufficient to pay such principal or interest, or both.

In computing the fractional amount to be set aside each month in each Junior Debt Service Account, the fraction shall be so computed that a sufficient amount will be set aside in each Junior Debt Service Account and will be available for the prompt payment of such principal of and interest on all Outstanding Junior Bonds and shall be not less than one-sixth (1/6) of the interest becoming due on the next succeeding interest payment date and not less than one-twelfth (1/12) of the principal becoming due (or subject to mandatory redemption) on the next succeeding principal payment date on all Outstanding Junior Bonds until there is sufficient money in the Junior Debt Service Account to pay such principal or interest, or both.

Credits into the Junior Debt Service Account may be suspended in any Bond Year at such time as there shall be a sufficient sum held in cash and investments in such Account to meet principal and interest requirements in such Account for the balance of such Bond Year, but such credits shall again be resumed at the beginning of the next Bond Year. All moneys in the Junior Debt Service Account shall be used only for the purpose of paying interest and principal and applicable premium on the applicable Outstanding Junior Bonds.

(i) Receipts of Pledged Taxes with respect to the Bonds shall be deposited into a separate **“Pledged Taxes Subaccount”** of the Junior Debt Service Account and as required by this ordinance shall be used solely and only to pay debt service, as applicable, on the Bonds and Parity Bonds.

(ii) Receipts of Video Gaming Receipts, with respect to the Bonds, shall be deposited into a separate **“Video Gaming Receipts Subaccount”** of the Junior Debt Service Account and as required by this ordinance shall be used solely and only to pay debt service on the Bonds and Parity Bonds.

(c) **Surplus Account:** All moneys remaining in the Fund, after crediting the required amounts to the respective accounts hereinabove provided for, and after making up any deficiency in the accounts described above shall be credited each month to the Surplus Account. Funds in the Surplus Account shall be used, first, to make up any subsequent deficiencies in any of the Accounts hereinabove named; and then, for the remainder of all surplus Pledged Revenues, at the discretion of the Corporate Authorities, for one or more of the following purposes without any priority among them:

- (1) For the purpose of calling and redeeming Outstanding bonds payable from the Pledged Revenues which are callable at the time;
- (2) For the purpose of purchasing Outstanding bonds payable from such Pledged Revenues;

(3) For the purpose of paying principal of and interest on any bonds or obligations subordinate to the Senior Bonds; or

(4) For any other lawful general or specific purpose.

(d) Investments: Subject to the restrictions and limitations of an Insurer's Policy, as the case may be, moneys to the credit of the foregoing Funds and related Accounts and Subaccounts under this Section 12 shall be invested from time to time by the Issuer's Treasurer in (i) interest-bearing bonds, notes, or other direct full faith and credit obligations of the United States of America, (ii) obligations unconditionally guaranteed as to both principal and interest by the United States of America, or (iii) certificates of deposit or time deposits of any bank or savings and loan association, as defined by Illinois laws, provided such bank or savings and loan association is insured by the Federal Deposit Insurance Corporation or a successor corporation to the Federal Deposit Insurance Corporation and provided further that the principal of such deposits are secured by a pledge of obligations as described in clauses (g) (i) and (g) (ii) above in the full principal amount of such deposits, or otherwise collateralized in such amount and in such manner as may be required by law. Such investments may be sold from time to time by the Treasurer of the Issuer as funds may be needed for the purpose for which such Accounts have been created. All interest on any funds so invested shall be credited to the applicable Account of the Fund and is hereby deemed and allocated as expended with the next expenditure or expenditures of money from the applicable Subaccount or Account of the applicable Fund. Moneys in any of such accounts shall be invested by the Issuer's Treasurer, if necessary, in investments restricted as to yield, which investments may be in U.S. Treasury Securities - State and Local Government Series, if available, and to such end the Issuer's Treasurer shall refer to any investment restrictions covenanted by the Issuer or any officer thereof as part of the transcript of proceedings for the issuance of the Bonds, and to appropriate opinions of counsel.

(e) Bona Fide Debt Service Fund: Moneys preliminary to deposit in subsection (b) above for the Bonds and used to abate taxes under Section 10 above, which if deposited into the Junior Debt Service Account would disqualify the Junior Debt Service Account as a "bona fide debt service fund" shall be held in a separate subaccount (the "Pledged Account") of the Junior Debt Service Account and the investment yield thereon yield restricted and subject to yield reduction payments.

Section 13. Bond Proceeds Account. Except for accrued interest received on the sale of the Bonds (and an amount of applicable other available funds to pay interest to and including the first interest payment date as specified in a Bond Order), which shall be deposited upon issuance of the Bonds into the Junior Debt Service Account, all remaining proceeds derived from the sale of the Bonds, net of issuance costs directly paid by the Purchaser, shall be deposited in the "Bond Proceeds Account," identified to the Bonds, within each of which there further shall be, as applicable, a "Proceeds Subaccount" with respect to applicable project and issuance costs, which is hereby established as special Accounts and Subaccounts of the Issuer. Moneys in the Bond Proceeds Account shall be used for the purposes specified in Section 3 of this ordinance (that is, the costs of the Project with respect to which the Bonds were issued) and for the payment of costs of issuance of the Bonds, but may hereafter be reappropriated and used for other lawful purposes in accordance with applicable law. Before any such reappropriation

shall be made, there shall be filed with the City Clerk of the Issuer an opinion of Gilmore and Bell, P.C., Champaign, Illinois, or other nationally recognized Bond counsel ("Bond Counsel") to the effect that such reappropriation is authorized and will not adversely affect the tax-exempt status of the Bonds under Section 103 of the Internal Revenue Code of 1986, as amended. Moneys in the Bond Proceeds Account may be withdrawn from time to time as needed for the payment of costs and expenses incurred by the Issuer in connection with the Project and for paying the fees and expenses incidental thereto. Moneys shall be withdrawn from the depositary in connection with such funds from time to time by the City Treasurer or other appropriate financial officer of the Issuer only upon submission to such officer of the following:

A duplicate copy of the order signed by the Mayor, or such other officer(s) as may from time to time be by law authorized to sign and countersign orders of the Issuer, the Bond Proceeds Account and the purpose for which the order is issued and indicating that the payment for which the order is issued has been approved by the Corporate Authorities.

Within sixty (60) days after completion of the Project, the Mayor shall certify to the Corporate Authorities the fact that a Project has been completed, and after all costs have been paid, the Mayor shall execute a completion certificate and file it with the City Treasurer and in the records of the Issuer certifying that the applicable Project has been completed and that all costs have been paid; and, if at that time any funds remain in the applicable Bond Proceeds Account, the same shall be applied for other authorized improvements or work or such officer shall credit such funds to the Junior Debt Service Account, as the Corporate Authorities direct. If not applied to applicable facilities or improvements or issuance within 90 days of filing such completion certificate, the Treasurer shall transfer such funds to the Junior Debt Service Account.

Section 14. Issuance of Additional Bonds. In connection with the Bonds, subject to any senior ordinance or bonds authorizing Senior Bonds, the Issuer reserves the right to issue:

(a) Parity Bonds payable from applicable Pledged Revenues without limit provided that the applicable Pledged Revenues, as determined or as adjusted as hereinbelow set out shall be sufficient to provide for or pay all of the following (as applicable): (i) debt service on all Outstanding bonds payable from such Pledged Revenues computed immediately after the issuance of any proposed Parity Bonds, (ii) all amounts required to meet any fund or account requirements with respect to such Outstanding bonds, (iii) other contractual or tort liability obligations then due and payable, if any, and (iv) an additional amount not less than 0.25 times debt service (as provided in Section 15 of the Local Government Debt Reform Act) on such of the Alternate Bonds as shall remain Outstanding bonds after the issuance of the proposed Parity Bonds. Such sufficiency shall be calculated for each year to the final maturity of such Alternate Bonds which shall remain Outstanding after the issuance of the proposed Parity Bonds. The determination of the sufficiency of the applicable Pledged Revenues shall be supported by reference to the most recent audit of the Issuer, which audit shall be for a Fiscal Year ending not earlier than eighteen (18) months previous to the time of issuance of the proposed Parity Bonds. If such audit shows the applicable Pledged

Revenues to be insufficient, then the determination of sufficiency, supported by a "report" under the Local Government Debt Reform Act, may be made in either of the following two ways:

1. The applicable source of Pledged Revenues may be adjusted in the event there has been an increase in the rates or revenues in effect for the Fiscal Year of such audit (if such rate increase is still in effect at the time of the issuance of such proposed Parity Bonds) or other applicable Pledged Revenues to show such Pledged Revenues as they would have been if such increased rates had been in effect during all of said Fiscal Year. Any such adjusted statement of Pledged Revenues shall be evidenced by the certificate of an independent consulting engineer, an independent certified public accountant or an independent financial consultant employed for such purpose, in accordance with applicable law.

2. The determination of sufficiency of such Pledged Revenues may be supported by the report of an independent accountant or feasibility analyst, the latter having a national reputation for expertise in such matters, demonstrating the sufficiency of the applicable Pledged Revenues and explaining by what means they will be greater than as shown in the audit and sufficient under the Local Government Debt Reform Act.

The reference to and acceptance of an audit, an adjusted statement of the Pledged Revenues, or a report, as the case may be, and the determination of the Corporate Authorities of the sufficiency of the applicable Pledged Revenues shall be conclusive evidence that the conditions of this Section 14(a) have been met and that the Parity Bonds are properly issued hereunder; and no right to challenge such determination is granted to the registered owners of the Bonds.

(b) bonds or other obligations payable from applicable Pledged Revenues subordinate to the lien of any prior or superior bonds which remain Outstanding after the issuance of such bonds or other obligations.

Section 15. Arbitrage Rebate. The Issuer shall comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, relating to the rebate of certain investment earnings at periodic intervals to the United States of America to the extent that such compliance is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on any series of the Bonds under Section 103 of the Internal Revenue Code of 1986, as amended. There is hereby authorized to be created a separate and special account identified to the Bonds, to be known as the "**Rebate Account**", or into which there shall be deposited as necessary investment earnings to the extent required so as to maintain the tax-exempt status of the interest on the Bonds under Section 148(f) of the Internal Revenue Code of 1986, as amended. All rebates, yield reduction payments, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) shall be payable from applicable excess earnings or other sources which are to be deposited into the appropriate Rebate Account. The Issuer shall comply with the Federal Tax Certificate and concerning, among other things, the Rebate Account and yield reduction payments.

Yield Reduction Payments in connection with the Pledged Account under Section 12 (e) above shall be determined and paid, as the case may be, in a manner similar to arbitrage rebate under this Section 15.

Section 16. Investment Regulations. All investments shall be in Qualified Investments, unless otherwise expressly herein provided. No investment shall be made of any moneys in the Junior Debt Service Account, or the Bond Proceeds Account related to the Bonds, except in accordance with the tax covenants and other covenants set forth in Section 17 of this ordinance. All income derived from such investments in respect of moneys or securities in any fund or account shall be credited in each case to the fund or account in which such moneys or securities are held.

Any moneys in any fund or account that are subject to investment yield restrictions may be invested in United States Treasury Securities, State and Local Government Series, pursuant to the regulations of the United States Treasury Department, Bureau of Public Debt. The City Treasurer or other appropriate financial officer of the Issuer and agents designated by such officer are hereby authorized to submit on behalf of the Issuer subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

Section 17. Non-Arbitrage and Tax-Exemption. One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Corporate Authorities and the Issuer as to future events regarding the Bonds and the use of Bond proceeds. The certifications and representations made herein and at the time of the issuance of the Bonds are intended, and may be relied upon, as certifications and expectations described in Section 1.148-0 *et seq.* of the Income Tax Regulations dealing with arbitrage and rebate (the “**Regulations**”). The covenants and agreements contained herein and at the time of the issuance of the Bonds are made for the benefit of the registered owners from time to time of the Bonds. The Corporate Authorities and the Issuer agree, certify, covenant and represent as follows:

(a) The Bonds are being issued to pay costs of the Project, and related costs and expenses, and all of the amounts received upon the sale of the Bonds, plus all investment earnings thereon (the “**Proceeds**”) are needed for the purposes for which the Bonds are being issued.

(b) The Issuer has entered into, or within six months from the date of issue of the Bonds will enter into, binding contracts or commitments obligating it to spend at least 5% of the proceeds of, as applicable, the Bonds for constructing, acquiring and installing the Project. The work of acquiring, constructing and installing the Project will commence and proceed with due diligence to completion within 3 years of issuance, at which time all of the Bond Proceeds are expected to be spent.

(c) The Issuer has on hand no funds which could legally and practically be used for the Project which are not pledged, budgeted, earmarked or otherwise necessary to be used for other purposes. Accordingly, no portion of the Proceeds will be used (i)

directly or indirectly to replace funds of the Issuer or any agency, department or division thereof that could be used for the Project, or (ii) to replace any proceeds of the Bonds or any prior issuance of obligations by the Issuer. No portion of any issue of the Bonds is being issued solely for the purpose of investing Proceeds at a Yield higher than the Yield on any issue of Bonds. For purposes of this Section, "Yield" means that yield (that is, the discount rate) which when used in computing the present worth of all payments of principal and interest to be paid on an obligation (using semi-annual compounding on the basis of a 360-day year) produces an amount equal to the purchase price of the applicable series of the Bonds, including accrued interest, and the purchase price of the Bonds is equal to the first offering price at which more than 10% of the principal amount of each maturity of a particular series of the Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of purchasers or wholesalers).

(d) All principal proceeds of the Bonds, net of accrued interest and issuance costs directly paid by the Purchaser, will be deposited in the applicable Bond Proceeds Account and used to pay costs of the Project and costs of issuance of the Bonds, and accrued interest and premium received on the delivery of the Bonds will be deposited in the Junior Debt Service Account and used to pay the first interest due on the Bonds. Earnings on the investment of moneys in any Fund or Account or Subaccount will be credited to that Fund or Account or Subaccount. Interest on and principal of the Bonds will be paid from the applicable Junior Debt Service Account. No Proceeds will be used more than ninety (90) days after the date of issue of the Bonds for the purpose of paying any principal or interest on any other issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the Issuer or for the purpose of replacing any funds of the Issuer used for such purpose.

(e) The Junior Debt Service Account is established to achieve a proper matching of revenues and earnings with debt service in each year for the related series of Bonds. Other than any amounts held to pay principal of matured Bonds that have not been presented for payment, it is expected that any moneys deposited in the Junior Debt Service Account will be spent within the 12-month period beginning on the date of deposit therein. Any earnings from the investment of amounts in the Junior Debt Service Account will be spent within a one-year period beginning on the date of receipt of such investment earnings. Other than any amounts held to pay principal of matured Bonds that have not been presented for payment, it is expected that the Junior Debt Service Account will be depleted at least once a year, except for a reasonable carryover amount not to exceed the greater of (i) one-year's earnings on the investment of moneys in the Junior Debt Service Account, or (ii) in the aggregate one-twelfth (1/12th) of the annual debt service on the applicable series of related Bonds. Otherwise deposits or credits are to be made to the Pledged Account, subject to yield restrictions and yield reduction payments.

(f) Other than the Junior Debt Service Account, no funds or accounts, including any Depreciation Account, have been or are expected to be established, and no moneys or property have been or are expected to be pledged (no matter where held or the

source thereof) which will be available to pay, directly or indirectly, the Bonds or restricted so as to give reasonable assurance of their availability for such purposes. No property of any kind is pledged to secure, or is available to pay, obligations of the Issuer to any credit enhancer or liquidity provider.

(g) (i) All amounts on deposit in the Bond Proceeds Account or in the Junior Debt Service Account and all Proceeds, no matter in what funds or accounts deposited (“**Gross Proceeds**”), to the extent not exempted in (ii) below, and all amounts in any fund or account or subaccount pledged directly or indirectly to the payment of the related series of Bonds which will be available to pay, directly or indirectly, the related series of Bonds or restricted so as to give reasonable assurance of their availability for such purpose contrary to the expectations set forth in (f) above, shall be invested at market prices and at a Yield not in excess of the Yield on such Bonds plus, for amounts in the applicable Bond Proceeds Account after 3 years to be applied to finance the Project, 1/8 of 1%.

(ii) The following may be invested without Yield restriction:

(A) amounts invested in obligations described in Section 103(a) of the Internal Revenue Code of 1986, as amended (but not specified private activity bonds as defined in Section 57(a)(5)(C) of the Code), the interest on which is not includable in the gross income of any registered owner thereof for federal income tax purposes (“**Tax-Exempt Obligations**”);

(B) amounts deposited in the Junior Debt Service Account that are reasonably expected to be expended within thirteen (13) months from the deposit date and have not been on deposit therein for more than thirteen (13) months;

(C) amounts, if any, in the Bond Proceeds Account to be applied to the Project to the earlier of completion (or abandonment) of such improvements or three (3) years from the date of issue of the Bonds for the Project;

(D) an amount not to exceed the lesser of \$100,000 or 5% of Bond proceeds;

(E) all amounts for the first thirty (30) days after they become Gross Proceeds (e.g., date of deposit in any fund or account securing a particular series of Bonds); and

(F) all amounts derived from the investment of the Proceeds for a period of one (1) year from the date received.

(h) Subject to (q) below, once moneys are subject to the Yield limits of (g)(i) above, such moneys remain Yield restricted until they cease to be Gross Proceeds.

(i) Pursuant to Section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended, the Issuer is excepted from the required rebate of arbitrage profits on the Bonds. The Issuer is a governmental unit with general taxing powers, none of the Bonds is a “**private activity bond**” as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended, and all the net proceeds of the Bonds are to be used for the local government activities of the Issuer (i.e., the Project), the aggregate face amount of all tax-exempt obligations (and excluding “**private activity bonds**” as defined in Internal Revenue Code of 1986, as amended) to be issued by the Issuer and all subordinate entities thereof (of which there are none) during the calendar year of issuance of the Bonds, including the Bonds, is reasonably expected to not exceed \$5,000,000 to be taken into account under such Section 148(f)(4)(D).

(j) None of the Proceeds will be used, directly or indirectly, to replace funds which were used in any business carried on by any person other than a state or local governmental unit.

(k) The payment of the principal of or the interest on any series of the Bonds will not be, directly or indirectly: (A) secured by any interest in (i) property used or to be used for a private business use by any person other than a state or local governmental unit, or (ii) payments in respect of such property, or (B) derived from payments (whether or not by or to the Issuer), in respect of property, or borrowed money, used or to be used for a private business use by any person other than a state or local governmental unit.

(l) None of the Proceeds will be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(m) No user of the Project, other than a state or local government unit, will use the Project on any basis other than the same basis as the general public, and no person other than a state or local governmental unit will be a user of the Project as a result of (i) ownership, or (ii) actual or beneficial use pursuant to a lease or a management or incentive payment contract, or (iii) any other similar arrangement.

(n) Beginning on the 15th day prior to the sale date of the Bonds, the Issuer has not sold or delivered, and will not sell or deliver, (nor will it deliver within 15 days after the date of issuance of such Bonds) any other obligations pursuant to a common plan of financing, which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the particular series of Bonds or will be paid directly or indirectly from Proceeds.

(o) No portion of the Project is expected to be sold or otherwise disposed of prior to the last maturity of the Bonds.

(p) The Issuer has not been notified of any disqualification or proposed disqualification of it by the Internal Revenue Service as a bond issuer which may certify bond issues under Section 1.148-0 *et seq.* of the Regulations.

(q) The Yield restrictions contained in (g) above or any other restriction or covenant contained herein need not be observed and may be changed if the Issuer receives an opinion of Bond Counsel to the effect that such non-observance or change will not adversely affect the tax-exempt status of interest on the Bonds to which such Bonds otherwise are entitled.

(r) The Issuer acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein and that Bond Counsel should be contacted if such changes do occur.

(s) The Corporate Authorities have no reason to believe the facts, estimates, circumstances and expectations set forth herein are untrue or incomplete in any material respect. On the basis of such facts, estimates, circumstances and expectations, it is not expected that the Proceeds or any other moneys or property will be used in a manner that will cause the Bonds to be private activity bonds, arbitrage bonds or hedge bonds within the meaning of Sections 141, 148 or 149(g) of the Internal Revenue Code of 1986, as amended, and of applicable regulations. To the best of the knowledge and belief of the Corporate Authorities, such expectations are reasonable, and there are no other facts, estimates and circumstances that would materially change such expectations.

The Issuer also agrees and covenants with the registered owners of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with all present federal tax law and related regulations and with whatever federal tax law is adopted and regulations promulgated in the future which apply to such Bonds and affect the tax-exempt status of such Bonds.

Section 18. Further Assurances and Actions. The Corporate Authorities hereby authorize the officials of the Issuer responsible for issuing the Bonds, the same being the Mayor, City Clerk and City Treasurer of the Issuer, to make such further filings, covenants, certifications and supplemental agreements (including but not limited to the Purchase Agreement, the Tax Compliance Procedure, and the Federal Tax Certificate) as may be necessary to assure that the Project, the Bonds, and related proceeds, will not cause any of the Bonds to be private activity bonds, arbitrage bonds or hedge bonds. In connection therewith, the Issuer and the Corporate Authorities further agree: (a) through the officers of the Issuer, to make such further specific covenants, representations as shall be true, correct and complete, and assurances as may be necessary or advisable; (b) to consult with Bond Counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Issuer in such compliance.

Section 19. General Covenants. The Issuer covenants and agrees with the registered owners of the Outstanding Bonds, so long as there are any Outstanding Bonds (as defined herein), as follows:

(a) The Issuer will take all action necessary to impose, levy, collect and apply the Pledged Revenues and Pledged Taxes in the manner contemplated by this ordinance and such Pledged Revenues shall not be less than as shall be required under Section 15 of the Local Government Debt Reform Act to maintain the Bonds as Alternate Bonds according to their respective terms.

(b) In connection with the Bonds, the Issuer covenants that it will, while any of the Bonds shall remain outstanding, apply sufficient Pledged Revenues to provide for or pay each of the following in any given year: (1) debt service on all Outstanding revenue bonds payable from Pledged Revenues; (2) all amounts required to meet any fund or account requirements with respect to the Bonds or any other bonds payable from Pledged Revenues; (3) any other contractual or tort liability obligations, if any, payable from such Pledged Revenues; and (4) in each year, an amount not less than 1.25 times the debt service for all (i) Alternate Bonds payable from Pledged Revenues, including the Bonds Outstanding; and (ii) Alternate Bonds proposed to be issued and payable from Pledged Revenues. In the event such coverages are not maintained, the Issuer shall engage a feasibility analyst or other similarly qualified financial consultant to make an appropriate written report with recommendations to achieve such coverages. A copy of such report shall be sent upon request to the Purchaser.

(c) Whenever the 125% coverage in subsection (b) above is not effected or any Alternate Bonds under this ordinance at any time fail to qualify as Alternate Bonds not subject to any applicable debt limit under Section 15 of the Local Government Debt Reform Act or taxes are levied and extended and collected as in Section 10 hereof, the Issuer covenants to promptly have prepared a financial analysis of Pledged Revenues by an independent consulting accountant or other qualified professional employed for that purpose, and further, to send a copy of such analysis, when completed, to the Purchaser of the Bonds along with a letter indicating what action the Issuer has taken responsive to such study and to comply with Section 15 of the Local Government Debt Reform Act.

(d) The Issuer will make and keep proper books and accounts (separate and apart from all other records and accounts of the Issuer), in which complete entries shall be made of all transactions relating to the Pledged Taxes, the Pledged Revenues, and hereby covenants that within 120 days following the close of each Fiscal Year, it will cause the books and accounts related to the Pledged Revenues and the Pledged Taxes, to be audited by independent certified public accountants. Such audit will be available for inspection by the registered owners of any of the Bonds. Upon availability, the Issuer will send to the Purchaser a copy of such audit and of its general audit in each year. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein, shall, without limiting the generality of the foregoing, include the following:

(i) A balance sheet as of the end of such Fiscal Year, including a statement of the amount held in each of the funds and accounts under this ordinance.

(ii) A list of all insurance policies in force at the end of the Fiscal Year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy.

(iii) The amount and details of all Outstanding bonds.

(iv) The accountants comments regarding the manner in which the Issuer has carried out the accounting requirements of this ordinance (including as to the Alternate Bond status of the Bonds) and has complied with Section 15 of the Local Government Debt Reform Act, and the accountants recommendations for any changes.

It is further covenanted and agreed that a copy of each such audit upon request shall be furnished upon completion to the Purchaser.

(e) The Issuer will keep its books and accounts in accordance with generally accepted fund reporting practices for local government entities and enterprise funds; provided, however, that the monthly credits to each Junior Debt Service Account shall be in cash, and such funds shall be held separate and apart in cash and investments. For the purpose of determining whether sufficient cash and investments are on deposit in such accounts under the terms and requirements of this ordinance, investments shall be valued at the lower of the cost or market price on the valuation date thereof, which valuation date shall be not less frequently than annually.

(f) The Issuer will take no action in relation to the Pledged Revenues or the Pledged Taxes which would unfavorably affect the security of any of the Outstanding Bonds or the prompt payment of the principal and interest thereon or qualification of any Bonds as Alternate Bonds.

(g) The registered owner of any Bond may proceed by civil action to compel performance of all duties required by law and this ordinance.

(h) The Issuer will adopt a budget and/or approve appropriations for its general fund prior to the beginning of each Fiscal Year (or in the next quarter if applicable law permits), subject to all applicable state laws, providing for payment of all sums to be due in the Fiscal Year or Bond Year so as to comply with the terms of this ordinance. The budget may include in its estimate of income the use of available surplus moneys or other funds of the Issuer appropriated for such purposes. If during the Fiscal Year there are extraordinary receipts or payments of unusual cost, the Issuer will adopt an amended budget for the remainder of the Fiscal Year, providing for receipts or payments pursuant to this ordinance.

(i) The Issuer will comply with the special covenants concerning Alternate Bonds as required by Section 15 of the Local Government Debt Reform Act and this ordinance.

(j) The Issuer will not sell, lease, loan, mortgage or in any manner dispose of or encumber the Project (subject to the right of the Issuer to issue additional bonds (i.e. including Parity Bonds) as provided in this ordinance, to issue obligations subordinate to the Outstanding Bonds, and to dispose of real or personal property which is no longer useful or necessary to the operation or to the function of the Project), and the Issuer will take no action in relation to the Project which would unfavorably affect the security of any of any Outstanding Bonds or the prompt payment of the principal and interest thereon.

(k) The Issuer will pay, or cause to be paid, as the same become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed, imposed or levied against the Issuer or to the Project.

(l) The Issuer will carry insurance on the Project of the kinds and in the amounts which are usually carried by private parties operating similar properties, covering such risks as shall be recommended by a competent consulting engineer or insurance consultant employed by the Issuer for the purpose of making such recommendations. All moneys received for loss under such insurance policies shall be deposited in a segregated insurance account and used in making good the loss or damage in respect of which they were paid, either by repairing the property damaged or making replacement of the property destroyed, and provision for making good such loss or damage shall be made within ninety (90) days from the date of the loss. The proceeds derived from any and all policies for workers compensation or public liability shall be paid into a segregated account and used in paying the claims on account of which they were received.

(m) After their issuance, to the extent lawful the Bonds shall be incontestable by the Issuer.

Section 20. Ordinance to Constitute a Contract. The provisions of this ordinance shall constitute a contract between the Issuer and the registered owners of the Bonds. Any pledge made in this ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of the Bonds. All of the Alternate Bonds issued under this ordinance, regardless of the time or times of their issuance, shall be of equal rank in the related or shared Pledged Revenues without preference, priority or distinction of any of such Bonds over any other thereof (or of each series, as applicable), except as expressly provided in or pursuant to this ordinance. This ordinance, as supplemented and amended, shall constitute full authority for the issuance of the Bonds, and to the extent that the provisions thereof conflict with the provisions of any other ordinance or resolution of the Issuer, the provisions of this ordinance shall control.

Section 21. Severability and No Contest. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining

provisions of this ordinance or any ordinance supplemental hereto. Upon the issuance of the Bonds, neither the Bonds nor this ordinance shall be subject to contest by or in respect of the Issuer, to the extent lawful.

Section 22. Bank Qualified Bonds. Pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Issuer as applicable at the time of sale and delivery of Bonds shall designate in an applicable Bond Order such Bonds as “**qualified tax-exempt obligations**” as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Issuer by any such designation represents that the reasonably anticipated amount of tax-exempt obligations that will be issued by the Issuer and all subordinate entities (of which there are none) of the Issuer during the calendar year in which the Bonds are issued will not exceed \$10,000,000 within the meaning of or to be taken into account under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Issuer by any such designation covenants that in that connection it will not so designate and issue more than \$10,000,000 aggregate principal amount of tax-exempt obligations in such calendar year. For purposes of this Section, the term “**tax-exempt obligations**” includes “**qualified 501(c)(3) Bonds**” (as defined in the Section 145 of the Internal Revenue Code of 1986, as amended) but does not include other “**private activity bonds**” (as defined in Section 141 of the Internal Revenue Code of 1986, as amended).

Section 23. Conflict. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby superseded to the extent of such conflict and this ordinance shall be in full force and effect forthwith upon its adoption.

Section 24. Effective Date. This ordinance shall become effective immediately upon its passage and approval in the manner provided by law, and upon its becoming effective and upon or prior to the issuance of the Bonds a certified copy of this ordinance, together with an applicable Bond Order, shall be filed with the County Clerk of St. Clair and Monroe Counties, Illinois.

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Upon motion by Alderman Hutch, seconded by Alderman Niemietz, adopted this 20th day of April, 2020, by roll call vote as follows:

Ayes (Names): Aldermen Ebersohl, Agne, Niemietz, Roessler, Hutch, Holtkamp, Martens, and Riddle.

Nays (Names): None.

Absent (Names): None.

(SEAL)

ATTEST:


Wendy Duff
City Clerk

APPROVED: April 20, 2020


Ken Hutch
Mayor

STATE OF ILLINOIS)
THE COUNTIES OF ST. CLAIR AND MONROE) SS.
CITY OF COLUMBIA)

CERTIFICATION OF ORDINANCE

I, the undersigned, do hereby certify that I am the duly selected, qualified and acting City Clerk of the City of Columbia, St. Clair and Monroe Counties, Illinois (the "Issuer"), and as such official I am the keeper of the records and files of the Issuer and of its City Council (the "Corporate Authorities").

I do further certify that the attached constitutes a full, true and complete excerpt from the proceedings of the regular meeting of the Corporate Authorities held on the 20th day of April, 2020, insofar as the same relates to the adoption of Ordinance No. 3514, entitled:

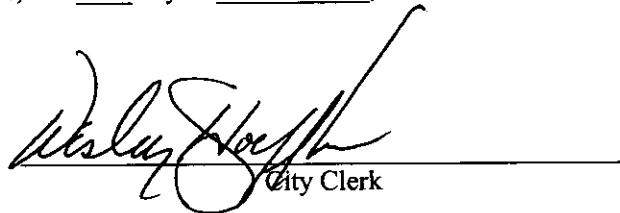
AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2020, OF THE CITY OF COLUMBIA, ST. CLAIR AND MONROE COUNTIES, ILLINOIS, PROVIDING THE DETAILS OF SUCH BONDS AND FOR ALTERNATE REVENUE SOURCES AND THE LEVY OF DIRECT ANNUAL TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS,

a true, correct and complete copy of which ordinance (the "Ordinance") as adopted at such meeting appears in the transcript of the minutes of such meeting and is hereto attached. The Ordinance was adopted and approved by the vote and on the date therein set forth.

I do further certify that the deliberations of the Corporate Authorities on the adoption of such Ordinance were taken openly, that the adoption of such Ordinance was duly moved and seconded, that the vote on the adoption of such Ordinance was taken openly and was preceded by a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, that such meeting was held at a specified time and place convenient to the public, that the agenda for the meeting was duly posted at the City Hall taped to a glass window or door with all pages visible and readable to the outside (at street level) 24/7 and on the Issuer's website at least 48 hours prior to the meeting; that notice of such meeting was duly given to all of the news media requesting such notice, that such meeting was called and held in strict compliance with the provisions of the open meeting laws of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the applicable provisions of such open meeting laws and such Code and their procedural rules in the adoption of such Ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the City of Columbia, St. Clair and Monroe Counties, Illinois, this _____ day of _____, 2020.

(SEAL)



Wesley Haffen
City Clerk