

ADDENDUM



CITY COUNCIL MEETING AGENDA

CITY COUNCIL CHAMBERS

109 E. OLIVE STREET, BLOOMINGTON, IL 61701

MONDAY, JULY 24, 2017; 7:00 P.M.

8. "Regular Agenda"

- B. Consideration of an Ordinance approving a bond refunding of the 2004 Variable Rate Bonds in the amount of \$7,240,000. *(Recommend the Bond Ordinance refunding outstanding general obligation demand bonds, series 2004, dated October 13, 2004 in the amount of \$7,240,000 be approved and authorize Mayor and City Clerk to execute the necessary documents.) (Presentation by Patti-Lynn Silva, Finance Director 5 minutes, Council discussion 10 minutes.)* **Ordinance revised within the packet.**

NOTE: Action may be taken by the City Council on the agenda's action items (those items listed on the Consent Agenda and Regular Agenda) beyond the motions listed and/or staff recommendations. Ordinances and resolutions listed on the agenda may further be amended and/or revised prior to adoption by the City Council. No action will be taken if the agenda item is listed as only informational.

EXTRACT OF MINUTES of the regular public meeting of the City Council of the City of Bloomington, McLean County, Illinois, held in the City Hall, 109 East Olive Street, Bloomington, Illinois, in said City at 7:00 o'clock P.M., on the 24th day of July, 2017.

* * *

The meeting was called to order by the Mayor, and upon the roll being called, Tari Renner, the Mayor, and the following Alderman were physically present at said location:

The following Aldermen were allowed by a majority of the City Council in accordance with and to the extent allowed by rules adopted by the City Council to attend the meeting by video or audio conference: _____

No Alderman was not permitted to attend the meeting by video or audio conference.

The following Aldermen were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____

* * *

The Mayor announced that the next item before the City Council was the consideration of an ordinance providing for the issue of \$7,240,000 of general obligation refunding bonds of the City for the purpose of restructuring the debt burden of the City, all of the City's outstanding General Obligation Demand Bonds, Series 2004, and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds.

After a full and complete discussion thereof, Alderman _____ presented and the City Clerk read by title the following ordinance, copies of which were made available to all in attendance at said meeting who requested a copy:

SECTION 18.	RECORD-KEEPING POLICY AND POST-ISSUANCE COMPLIANCE MATTERS.....	18 <u>19</u>
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SECTION 20.	SUPERSEDER AND EFFECTIVE DATE.....	20

“*Bond Fund*” means the Bond Fund established and defined in Section 12 of this Ordinance. “*Bond Register*” means the books of the City kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

“*Bond Registrar*” means U.S. Bank National Association, Indianapolis, Indiana, or a substitute bond registrar and paying agent as hereinafter provided.

“*City Clerk*” means the City Clerk of the City.

“*City Manager*” means the City Manager of the City.

“*City Treasurer*” means the City Treasurer of the City.

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

“*County*” means The County of McLean, Illinois.

“*County Clerk*” means the County Clerk of the County.

“*Designated Officials*” means any of the Mayor, the City Manager, the City Clerk, the City Treasurer or the Finance Director.

“~~Event~~Determination of Taxability” means if, as the result of any act, failure to act or use of the proceeds of the Bonds or the Prior Project (as defined in the Tax Certificate), a change in use of the Prior Project or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Ordinance or the Tax Certificate by the City or for any other reason caused by an act or omission of the City, the interest on the Bonds is or becomes includable, in whole or in part, in the gross income or any Bondholder or former Bondholder for purposes of federal income taxation.

-“*Finance Director*” means the Director of Finance for the City.

“*Mayor*” means the Mayor of the City.

“*Record Date*” means the 15th day of the month next preceding any regular or other interest payment date occurring on the 1st day of any month and 15 days preceding any interest payment date occasioned by the redemption of Bonds on other than the 1st day of the month.

The use by the City of the Term Sheet relating to the Bonds, substantially in the form now before the City Council (the “*Official Statement*”), is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the City Council are hereby authorized to take any action as may be required on the part of the City to consummate the transactions contemplated by the Purchase Contract, this Ordinance, the Official Statement and the Bonds.

Section 12. Creation of Funds and Appropriations.

A. There is hereby created a “*General Obligation Refunding Bonds, Series 2017 Bond Fund*” (the “*Bond Fund*”), which shall be the fund for the payment of principal of and interest on the Bonds. [Sale proceeds of the Bonds in the amount of \\$3,500 shall be deposited into the Bond Fund at Closing.](#)

B. The Ad Valorem Property Taxes shall either be deposited into the Bond Fund and used for paying the principal of and interest on the Bonds for which such Ad Valorem Property Taxes were levied as hereinabove provided or be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on such Bonds prior to receipt of such Ad Valorem Property Taxes. Interest income or investment profit earned in the Bond Fund shall be retained in the Bond Fund for payment of the principal of or interest on the Bonds on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the City Council, transferred to such other fund as may be determined. The City hereby pledges, as equal and ratable security for the Bonds, all Bond Moneys on deposit in the Bond Fund for the sole benefit of the registered owners of the Bonds, subject to the reserved right of the City Council to transfer certain interest income or investment profit earned in the Bond Fund to other funds of the City, as described in the preceding sentence.

C. The ~~amount necessary from the~~[remaining sale](#) proceeds of the Bonds shall be used to pay costs of issuance of the Bonds and shall be retained by the City Treasurer to pay such

EXTRACT OF MINUTES of the regular public meeting of the City Council of the City of Bloomington, McLean County, Illinois, held in the City Hall, 109 East Olive Street, Bloomington, Illinois, in said City at 7:00 o'clock P.M., on the 24th day of July, 2017.

* * *

The meeting was called to order by the Mayor, and upon the roll being called, Tari Renner, the Mayor, and the following Alderman were physically present at said location:

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The following Aldermen were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____

* * *

The Mayor announced that the next item before the City Council was the consideration of an ordinance providing for the issue of \$7,240,000 of general obligation refunding bonds of the City for the purpose of restructuring the debt burden of the City, all of the City's outstanding General Obligation Demand Bonds, Series 2004, and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds.

After a full and complete discussion thereof, Alderman _____ presented and the City Clerk read by title the following ordinance, copies of which were made available to all in attendance at said meeting who requested a copy:

ORDINANCE NUMBER _____

AN ORDINANCE providing for the issuance of \$7,240,000 General Obligation Refunding Bonds of the City of Bloomington, McLean County, Illinois, for the purpose of refunding certain outstanding bonds of said City and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds.

Adopted by the City Council on the
24th day of July, 2017.

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ORDINANCE NUMBER _____

AN ORDINANCE providing for the issuance of \$7,240,000 General Obligation Refunding Bonds of the City of Bloomington, McLean County, Illinois, for the purpose of refunding certain outstanding bonds of said City and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds.

PREAMBLES

WHEREAS

A. By virtue of its population, and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, the City of Bloomington, McLean County, Illinois (the “City”), is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt.

B. Pursuant to the provisions of said Section 6, the City has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval.

C. The City has heretofore issued its General Obligation Demand Bonds, Series 2004, dated October 13, 2004, in the amount of \$15,600,000, of which \$7,200,000 of said bonds are presently outstanding (the “*Prior Bonds*”).

D. The City Council of the City (the “*City Council*”) has considered and determined that, given the various fees associated with variable rate bonds, a fixed rate structure is more favorable for the City than the variable rate structure of the Prior Bonds and that it is possible, proper, and advisable to refund all of the Prior Bonds (the “*Refunded Bonds*”) at this time with fixed rate bonds and eliminate such fees.

E. The Refunded Bonds are presently outstanding and unpaid and are binding and subsisting legal obligations of the City.

F. The City Council does hereby determine that it is necessary and in the best interests of the City to borrow \$7,240,000 to refund the Refunded Bonds and, in evidence of such borrowing, issue full faith and credit bonds of the City in the principal amount of \$7,240,000.

NOW THEREFORE Be It Ordained by the City Council of the City of Bloomington, McLean County, Illinois, in the exercise of its home rule powers, as follows:

Section 1. Definitions. Words and terms used in this Ordinance shall have the meanings given them, unless the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

A. The following words and terms are as defined in the preambles.

City
City Council
Prior Bonds
Refunded Bonds

B. The following words and terms are defined as set forth.

“*Act*” means the Illinois Municipal Code, as supplemented and amended, and also the home rule powers of the City under Section 6 of Article VII of the Constitution of the State of Illinois; and in the event of conflict between the provisions of said code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said code.

“*Ad Valorem Property Taxes*” means the real property taxes levied to pay the Bonds as described and levied in Section 13 of this Ordinance.

“*Bonds*” means the General Obligation Refunding Bonds, Series 2017, authorized to be issued by this Ordinance.

“*Bond Fund*” means the Bond Fund established and defined in Section 12 of this Ordinance. “*Bond Register*” means the books of the City kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

“*Bond Registrar*” means U.S. Bank National Association, Indianapolis, Indiana, or a substitute bond registrar and paying agent as hereinafter provided.

“*City Clerk*” means the City Clerk of the City.

“*City Manager*” means the City Manager of the City.

“*City Treasurer*” means the City Treasurer of the City.

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

“*County*” means The County of McLean, Illinois.

“*County Clerk*” means the County Clerk of the County.

“*Designated Officials*” means any of the Mayor, the City Manager, the City Clerk, the City Treasurer or the Finance Director.

“*Determination of Taxability*” means if, as the result of any act, failure to act or use of the proceeds of the Bonds or the Prior Project (as defined in the Tax Certificate), a change in use of the Prior Project or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Ordinance or the Tax Certificate by the City or for any other reason caused by an act or omission of the City, the interest on the Bonds is or becomes includable, in whole or in part, in the gross income or any Bondholder or former Bondholder for purposes of federal income taxation.

“*Finance Director*” means the Director of Finance for the City.

“*Mayor*” means the Mayor of the City.

“*Record Date*” means the 15th day of the month next preceding any regular or other interest payment date occurring on the 1st day of any month and 15 days preceding any interest payment date occasioned by the redemption of Bonds on other than the 1st day of the month.

“*Tax Certificate*” means the Tax Exemption Certificate and Agreement, dated July 28, 2017, and related to the Bonds.

C. Definitions also appear in specific sections below. The table of contents preceding and the headings in this Ordinance are for the convenience of the reader and are not a part of this Ordinance.

Section 2. Incorporation of Preambles. The City Council hereby finds that all of the recitals contained in the preambles to this Ordinance are true, correct, and complete and does incorporate them into this Ordinance by this reference.

Section 3. Determination To Issue Bonds. It is necessary and in the best interests of the City to refund the Refunded Bonds and to pay all related costs and expenses incidental thereto and to borrow money and issue the Bonds for such purpose. It is hereby found and determined that such borrowing of money is for a proper public purpose and is in the public interest and is authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive.

Section 4. Bond Details. There shall be issued and sold the Bonds, in one series, designated as “*General Obligation Refunding Bonds, Series 2017.*” The Bonds shall be dated July 28, 2017, and shall also bear the date of authentication thereof, shall be in fully registered form, shall be in minimum denominations of \$100,000 each and integral multiples of \$5,000 in excess thereof, and shall be numbered 1 and upward. The Bonds shall become due and payable serially (without option of prior redemption) on June 1 of each of the years, in the amounts and bearing interest per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2018	\$ 940,000	1.30%
2019	900,000	1.47%
2020	1,000,000	1.57%
2021	1,000,000	1.68%
2022	1,100,000	1.81%
2023	1,100,000	1.96%
2024	1,200,000	2.08%

The Bonds shall bear interest at the rates per annum identified above, unless there shall have occurred a Determination of Taxability at which time the Bonds shall bear interest at the rates per annum identified above, multiplied by 1.4925.

Each Bond shall bear interest from the later of its Dated Date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on December 1, 2017. Interest on each Bond shall be paid by check or draft of the Bond Registrar, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date, and mailed to the registered owner of the Bond as shown in the Bond Register or at such other address furnished in writing by such Registered Owner. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal corporate trust office of the Bond Registrar.

Section 5. Execution; Authentication. The Bonds shall be executed on behalf of the City by the manual or duly authorized facsimile signature of the Mayor and attested by the manual or duly authorized facsimile signature of the City Clerk, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the City. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of

such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the 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.

Section 6. Registration of Bonds; Persons Treated as Owners. The City shall cause books (the “*Bond Register*” as defined) for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City for the Bonds. The City is authorized to prepare, and the Bond Registrar or such other agent as the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the

same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date.

The execution by the City 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; *provided, however*, the principal amount of Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his or her 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 to any registered owner of Bonds for any transfer or exchange of Bonds, but the City 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.

Section 7. Form of Bond. The Bonds shall be in substantially the form hereinafter set forth; *provided, however*, that if the text of the Bonds is to be printed in its entirety on the front side of the Bonds, then the second paragraph on the front side and the legend “See Reverse Side for Additional Provisions” shall be omitted and the text of paragraphs set forth for the reverse side shall be inserted immediately after the first paragraph.

[FORM OF BOND - FRONT SIDE]

REGISTERED
NO. _____

REGISTERED
\$ _____

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCLEAN
CITY OF BLOOMINGTON
GENERAL OBLIGATION REFUNDING BOND, SERIES 2017**

See Reverse Side for
Additional Provisions.

Interest Taxable Maturity Dated
Rate: _____% Interest Rate: _____% Date: June 1, 20__ Date: July 28, 2017

Registered Owner: CLAYTON HOLDINGS, LLC

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the City of Bloomington, McLean County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the applicable Interest Rate per annum identified above, such interest to be payable on June 1 and December 1 of each year, commencing December 1, 2017, until said Principal Amount is paid or duly provided for. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the principal corporate trust office of U.S. Bank National Association, Indianapolis, Indiana, as paying agent and bond registrar (the “Bond Registrar”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the

City maintained by the Bond Registrar, at the close of business on the applicable Record Date (the “*Record Date*”). The Record Date shall be the 15th day of the month next preceding any regular or other interest payment date occurring on the 1st day of any month and 15 days preceding any interest payment date occasioned by the redemption of Bonds on other than the 1st day of the month. Interest shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books, or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

It is hereby certified and recited that all conditions, acts, and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, including the authorizing Act, have existed and have been properly done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the City sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

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

IN WITNESS WHEREOF the City of Bloomington, McLean County, Illinois, by its City Council, has caused this Bond to be executed by the manual or duly authorized facsimile

signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

SPECIMEN

Mayor, City of Bloomington
McLean County, Illinois

ATTEST:

SPECIMEN

City Clerk, City of Bloomington
McLean County, Illinois

[SEAL]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Refunding Bonds, Series 2017, having a Dated Date of July 28, 2017, of the City of Bloomington, McLean County, Illinois.

Date of Authentication:
July 28, 2017

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar

By _____
SPECIMEN
Authorized Officer

[FORM OF BOND - REVERSE SIDE]

This Bond is one of a series of bonds (the “*Bonds*”) in the aggregate principal amount of \$7,240,000 issued by the City for the purpose of refunding certain bonds previously issued by the City and paying expenses incidental thereto, all as described and defined in Ordinance Number _____ of the City, passed by the City Council of the City on the 24th day of July, 2017, authorizing the Bonds (the “*Ordinance*”), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as supplemented and amended, and as further supplemented and, where necessary, superseded, by the powers of the City as a home rule unit under the provisions of Section 6 of Article VII of the Constitution of the State of Illinois (such code and powers being the “*Act*”), and with the Ordinance, which has been duly approved by the Mayor, and published, in all respects as by law required.

This Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment date to the opening of business on such interest payment date.

The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____

Here insert Social Security Number,
Employer Identification Number or
other Identifying Number

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this transfer and 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 8. Security for the Bonds. The Bonds are a general obligation of the City, for which the full faith and credit of the City are irrevocably pledged, and are payable from the levy of taxes on all of the taxable property in the City, without limitation as to rate or amount.

Section 9. Tax Levy; Abatement. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose; and there is hereby levied on all of the taxable property in the City, in addition to all other taxes of the City, the following direct annual taxes (the "Ad Valorem Property Taxes") to-wit:

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE DOLLAR SUM OF:	
2017	\$1,012,160.00	for interest and principal up to and including June 1, 2019
2018	\$1,098,930.00	for interest and principal
2019	\$1,083,230.00	for interest and principal
2020	\$1,166,430.00	for interest and principal
2021	\$1,146,520.00	for interest and principal
2022	\$1,224,960.00	for interest and principal

The Ad Valorem Property Taxes and other moneys on deposit in the Bond Fund from time to time (“*Bond Moneys*”) shall be applied to pay principal of and interest on the Bonds. Interest on or principal of the Bonds coming due at any time when there are insufficient Bond Moneys to pay the same shall be paid promptly when due from current funds on hand in advance of the deposit of the Ad Valorem Property Taxes; and when the Ad Valorem Property Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. The City covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the Ad Valorem Property Taxes. The City and its officers will comply with all present and future applicable laws in order to assure that the Ad Valorem Property Taxes may lawfully be levied, extended, and collected as provided herein.

Whenever funds from any lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the Ad Valorem Property Taxes levied for the payment of the same, the City Council shall, by proper proceedings, direct the deposit of such funds into the Bond Fund or direct the set aside of such funds in another fund or account of the City, and further shall direct the abatement of the taxes by the amount so deposited or so set aside. The City covenants and agrees that it will not direct the abatement of the Ad Valorem Property Taxes until money has been deposited into the Bond Fund or otherwise

set aside by the City in another fund or account of the City in the amount of such abatement. A certified copy or other notification of any such proceedings abating the Ad Valorem Property Taxes may then be filed with the County Clerk in a timely manner to effect such abatement.

Section 10. Filing with County Clerk. Promptly, after this Ordinance has become effective, a copy hereof, certified by the City Clerk, shall be filed with the County Clerk; and the County Clerk shall in and for each of the tax levy years 2017 to 2022, inclusive, ascertain the rate percent required to produce the aggregate Ad Valorem Property Taxes hereinbefore provided to be levied in each of said years; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the City for general corporate purposes of the City; and, subject to abatement as stated hereinabove, in said years such annual tax shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes for said years are levied and collected, and in addition to and in excess of all other taxes.

Section 11. Sale of the Bonds. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the City Treasurer, and be by the City Treasurer delivered to Clayton Holdings, LLC (the “*Purchaser*”), upon receipt of the purchase price therefor, the same being par; the contract for the sale of the Bonds heretofore entered into (as evidenced by an executed term sheet, the “*Purchase Contract*”) is in all respects ratified, approved and confirmed, it being hereby found and determined that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceed the maximum rate otherwise authorized by Illinois law and that the Purchase Contract is in the best interests of the City and that no person holding any office of the City, either by election or

appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The use by the City of the Term Sheet relating to the Bonds, substantially in the form now before the City Council (the “*Official Statement*”), is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the City Council are hereby authorized to take any action as may be required on the part of the City to consummate the transactions contemplated by the Purchase Contract, this Ordinance, the Official Statement and the Bonds.

Section 12. Creation of Funds and Appropriations.

A. There is hereby created a “*General Obligation Refunding Bonds, Series 2017 Bond Fund*” (the “*Bond Fund*”), which shall be the fund for the payment of principal of and interest on the Bonds. Sale proceeds of the Bonds in the amount of \$3,500 shall be deposited into the Bond Fund at Closing.

B. The Ad Valorem Property Taxes shall either be deposited into the Bond Fund and used for paying the principal of and interest on the Bonds for which such Ad Valorem Property Taxes were levied as hereinabove provided or be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on such Bonds prior to receipt of such Ad Valorem Property Taxes. Interest income or investment profit earned in the Bond Fund shall be retained in the Bond Fund for payment of the principal of or interest on the Bonds on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the City Council, transferred to such other fund as may be determined. The City hereby pledges, as equal and ratable security for the Bonds, all Bond Moneys on deposit in the Bond Fund for the sole benefit of the registered owners of the Bonds,

subject to the reserved right of the City Council to transfer certain interest income or investment profit earned in the Bond Fund to other funds of the City, as described in the preceding sentence.

C. The remaining sale proceeds of the Bonds shall be used to pay costs of issuance of the Bonds and shall be retained by the City Treasurer to pay such expenses. Any disbursements for expenses shall be made from time to time as necessary. Any excess from the proceeds of the Bonds held for such purpose shall be deposited into the Bond Fund not more than six months from the date of issuance of the Bonds.

D. The remaining proceeds of the Bonds, together with other lawfully available funds of the City as may be advisable for the purpose, shall be deposited with U.S. Bank National Association, Indianapolis, Indiana, the paying agent for the Prior Bonds, for the purpose of paying the principal of and interest on the Refunded Bonds upon redemption prior to maturity.

E. Alternatively to the creation of the Bond Fund, the City Treasurer may allocate the moneys for payment of the Bonds to one or more related funds of the City already in existence and in accordance with good accounting practice; *provided, however*, that this shall not relieve the City Treasurer of the duty to account for the moneys for payment of the Bonds as herein provided.

Section 13. Call of the Refunded Bonds. In accordance with the redemption provisions of the resolution authorizing the issuance of the Refunded Bonds, the City by the City Council does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds subject to redemption prior to maturity for redemption on September 1, 2017.

Section 14. Taxes Previously Levied. The Designated Officials are hereby directed to prepare and file with the County Clerk a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Refunded Bonds and directing the abatement of taxes

heretofore levied to pay the Refunded Bonds. Notwithstanding such direction, all proceeds received or to be received from any taxes levied to pay the Refunded Bonds, including the proceeds received or to be received from the taxes levied for the year 2016 for such purposes, shall be used to pay the Refunded Bonds and to the extent that such proceeds are not needed for such purpose, the same shall be deposited into the Bond Fund and used to pay principal and interest on the Bonds in accordance with the provisions of this Ordinance.

Section 15. Non-Arbitrage and Tax-Exemption. The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

The City also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The City Council hereby authorizes the officials of the City responsible for issuing the Bonds, the same being the Designated Officials, to make such further covenants and certifications regarding the specific use of the proceeds of the Bonds as approved by the City Council and as may be necessary to assure that the use thereof will not cause the Bonds to be

arbitrage bonds and to assure that the interest on the Bonds will be exempt from federal income taxation. In connection therewith, the City and the City Council further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the 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 by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

Section 16. Registered Form. The City agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 17. Duties of Bond Registrar. If requested by the Bond Registrar, the Designated Officials are authorized to execute the Bond Registrar's standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the City 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 furnish the City at least annually a certificate with respect to Bonds cancelled and/or destroyed; and
- (e) to furnish the City at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

Section 18. Record-Keeping Policy and Post-Issuance Compliance Matters. On May 23, 2011, the City Council adopted a record-keeping and post issuance compliance policy for the purpose of maintaining sufficient records to demonstrate compliance with the various covenants and expectations necessary to ensure the appropriate federal tax status for the Bonds and other debt obligations of the City, the interest on which is excludable from “gross income” for federal income tax purposes or which enable the City or the holder to receive federal tax benefits (the “*Policy*”). The Policy was amended on October 14, 2013.

Section 19. Publication of Ordinance. A full, true, and complete copy of this Ordinance shall be published within ten days after passage in pamphlet form by authority of the City Council.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Section 20. Superseder and Effective Date. All ordinances, resolutions, and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage, approval, and publication as provided by law.

ADOPTED: July 24, 2017.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED: July 24, 2017

Mayor

RECORDED in the City Records on July 24, 2017.

ATTEST:

City Clerk

Alderman _____ moved and Alderman _____
seconded the motion that said ordinance as presented and read by title be adopted.

After a full discussion thereof, the Mayor directed that the roll be called for a vote upon
the motion to adopt said ordinance.

Upon the roll being called, the following Alderman voted AYE: _____

NAY: _____

Whereupon the Mayor declared the motion carried and said ordinance adopted, approved
and signed the same in open meeting and directed the City Clerk to record the same in the
records of the City Council of the City of Bloomington, McLean County, Illinois, which was
done.

Other business not pertinent to the adoption of said ordinance was duly transacted at the
meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF MCLEAN)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Bloomington, McLean County, Illinois (the “City”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the City and of the City Council (the “City Council”) thereof.

I do further certify that the foregoing is a full, true, and complete transcript of that portion of the minutes of the meeting (the “Meeting”) of the City Council held on the 24th day of July, 2017 insofar as the same relates to the adoption of an ordinance, numbered _____ and entitled:

AN ORDINANCE providing for the issuance of \$7,240,000 General Obligation Refunding Bonds of the City of Bloomington, McLean County, Illinois, for the purpose of refunding certain outstanding bonds of said City and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds.

(the “Ordinance”) a true, correct, and complete copy of which Ordinance as adopted at the Meeting appears in the foregoing transcript of the minutes of the Meeting.

I do further certify that the deliberations of the City Council on the adoption of the Ordinance were taken openly; that the vote on the adoption of the Ordinance was taken openly; that the Meeting was held at a specified time and place convenient to the public; that notice of the Meeting was duly given to all newspapers, radio or television stations, and other news media requesting such notice; that an agenda for the Meeting was posted at the location where the Meeting was held and at the principal office of the City Council at least 72 hours in advance of the holding of the Meeting; that at least one copy of said agenda was continuously available for public review during the entire 72-hour period preceding said Meeting; and that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the City Council has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the City Council in the adoption of the Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City this 24th day of July, 2017.

City Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF MCLEAN)

CERTIFICATE OF FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of McLean, Illinois, and as such officer I do hereby certify that on the ____ day of July, 2017 there was filed in my office a properly certified copy of Ordinance Number _____, passed by the City Council of the City of Bloomington, McLean County, Illinois, on the 24th day of July, 2017, and approved by the Mayor of said City, and entitled:

AN ORDINANCE providing for the issuance of \$7,240,000 General Obligation Refunding Bonds of the City of Bloomington, McLean County, Illinois, for the purpose of refunding certain outstanding bonds of said City and providing for the levy and collection of a direct annual tax sufficient for the payment of the principal of and interest on said bonds.

and that the same has been deposited in, and all as appears from, the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of The County of McLean, Illinois, this ____ day of July, 2017.

County Clerk of
The County of McLean, Illinois

[SEAL]