Ordinance #O.20.04

An Ordinance **AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $6,500,000 GENERAL OBLIGATION REFUNDING BONDS (SALES TAX ALTERNATE REVENUE SOURCE), SERIES 2020, OF THE CITY OF GALENA, JO DAVIESS COUNTY, ILLINOIS, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS OF THE CITY, PLEDGING CERTAIN REVENUES OF THE CITY TO THE PAYMENT OF PRINCIPAL OF ANY INTEREST ON SAID BONDS, PROVIDING FOR THE IMPOSITION OF TAXES TO PAY THE SAME AND AUTHORIZING THE SALE OF SAID BONDS TO THE PURCHASER THEREOF.**

Adopted by the City Council of the City of Galena this 10th Day of February 2020.

Published in pamphlet form by authority of the City Council of the City of Galena, Jo Daviess County, Illinois, this 10th Day of February 2020.

STATE OF ILLINOIS)
) City of Galena
COUNTY OF JO DAVIESS)

CERTIFICATE

I, Mary Beth Hyde, certify that I am the duly elected municipal clerk of the City of Galena, JoDaviess County, Illinois.

I further certify that on the 10th Day of February 2020, the Corporate Authorities of said municipality passed and approved Ordinance No. O.20.04 entitled **AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $6,500,000 GENERAL OBLIGATION REFUNDING BONDS (SALES TAX ALTERNATE REVENUE SOURCE), SERIES 2020, OF THE CITY OF GALENA, JO DAVIESS COUNTY, ILLINOIS, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS OF THE CITY, PLEDGING CERTAIN REVENUES OF THE CITY TO THE PAYMENT OF PRINCIPAL OF ANY INTEREST ON SAID BONDS, PROVIDING FOR THE IMPOSITION OF TAXES TO PAY THE SAME AND AUTHORIZING THE SALE OF SAID BONDS TO THE PURCHASER THEREOF,** which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. O.20.04 including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the municipal building, commencing the 10th Day of February 2020 and commencing for at least ten (10) days thereafter.

Dated at Galena, Illinois, this 11th February 2020.

Mary Beth Hyde

Mary Beth Hyde, City Clerk

(Seal)

EXTRACT OF MINUTES of a regular public meeting of the City Council of the City of Galena, Jo Daviess County, Illinois, held at the City Hall, 312 1/2 North Main Street, Galena, Illinois, in said City at 7:00 p.m., on the 10th day of February, 2020.

The Mayor called the meeting to order and directed the City Clerk to call the roll.

Upon roll call, the following answered physically present at said location: Allendorf, Bernstein, Hahn, Kieffer, McCoy, Westemeier, Renner.

The following Aldermen were allowed by a majority of the Aldermen in accordance with and to the extent allowed by rules adopted by the City Council to attend the meeting by video or audio conference: None.

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: None.

The Mayor announced that the next item for consideration was the issuance of not to exceed $6,500,000 General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source) for the purpose of paying the cost of refunding certain outstanding bonds of the City and to pay the cost of issuing said bonds, and that the Mayor and the City Council would consider the adoption of an ordinance providing for the issue of said bonds, the pledge of certain revenues of the City to the payment of principal of and interest on said bonds and the levy of taxes sufficient to pay the same. The Mayor then explained that the ordinance sets forth the parameters for the issue of said bonds and sale thereof to the purchaser by designated officials of the City and summarized the pertinent terms of said parameters, including the specific parameters governing the manner of sale, length of maturity, rates of interest, purchase price and tax levy for said bonds.

WHEREUPON, the Mayor presented, and the City Clerk made available to the Aldermen and interested members of the public, complete copies of an ordinance entitled:

AN ORDINANCE authorizing and providing for the issuance of not to exceed $6,500,000 General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source), Series 2020, of the City of Galena, Jo Daviess County, Illinois, for the purpose of refunding certain outstanding bonds of the City, pledging certain revenues of the City to the payment of principal of and interest on said bonds, providing for the imposition of taxes to pay the same and authorizing the sale of said bonds to the purchaser thereof.

Alderman Hahn moved and Alderman Westemeier seconded the motion that said ordinance as presented by the Mayor be adopted.

Thereupon the Mayor directed that the roll be called for a vote upon the motion to adopt such ordinance.

Upon the roll being called, the following Aldermen voted:

AYE: McCoy, Westemeier, Allendorf, Bernstein, Hahn, Kieffer, Renner

NAY: None

ABSENT: None

Whereupon the Mayor declared the motion carried and the ordinance adopted, and did direct the City Clerk to record the same in full in the records of the Corporate Authorities, which was thereupon done.

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

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

Mary Beth Hyde

City Clerk

ORDINANCE NUMBER #O20.04

AN ORDINANCE authorizing and providing for the issuance of not to exceed $6,500,000 General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source), Series 2020, of the City of Galena, Jo Daviess County, Illinois, for the purpose of refunding certain outstanding bonds of the City, pledging certain revenues of the City to the payment of principal of and interest on said bonds, providing for the imposition of taxes to pay the same and authorizing the sale of said bonds to the purchaser thereof.

Adopted by the City Council on the 10th day of February, 2020

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ORDINANCE NUMBER #O20.04

AN ORDINANCE authorizing and providing for the issuance of not to exceed $6,500,000 General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source), Series 2020, of the City of Galena, Jo Daviess County, Illinois, for the purpose of refunding certain outstanding bonds of the City, pledging certain revenues of the City to the payment of principal of and interest on said bonds, providing for the imposition of taxes to pay the same and authorizing the sale of said bonds to the purchaser thereof.

WHEREAS, the City of Galena, Jo Daviess County, Illinois (the *"City"*), is a duly organized and existing municipality incorporated and existing under the provisions of the laws of the State of Illinois, is now operating under the provisions of the Illinois Municipal Code, as amended (the *"Municipal Code"*); and

WHEREAS, the City has heretofore issued and there are now outstanding General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 2010, of the City (the "*Prior Bonds*" and said portion of the Prior Bonds being refunded, the *"Refunded Bonds"*); and

WHEREAS, the Refunded Bonds shall be fully described in the Escrow Agreement (as hereinafter defined) and are presently outstanding and unpaid and are binding and subsisting legal obligations of the City; and

WHEREAS, the City Council of the City (the *"Corporate Authorities"*) has heretofore determined and does hereby determine that it is necessary, desirable and in the best interest of the residents of the City to borrow an amount not to exceed $6,500,000 to refund the Refunded Bonds for the purpose of realizing debt service savings (the "*Refunding*"); and

WHEREAS, Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"), provides that alternate bonds may be issued to refund other alternate bonds without meeting any of the requirements set forth in Section 15 of the Debt Reform Act, except that the term of the refunding bonds shall not be longer than the term of the bonds

being refunded and that the debt service payable in any year on the refunding bonds shall not exceed the debt service payable in such year on the bonds being refunded; and

WHEREAS, the Corporate Authorities does hereby determine that the term of the proposed bonds to refund the Refunded Bonds is not longer than the term of the Refunded Bonds and that the debt service payable in any year on the proposed bonds does not exceed the debt service payable in such year on the Refunded Bonds; and

WHEREAS, the alternate bonds to be issued hereunder (the *"2020 Alternate Bonds"*) will be payable from distributions to the City by the State of Illinois of collections of sales taxes, or successor taxes thereto (the "*Pledged Revenues*") and, to the extent the Pledged Revenues are insufficient to pay the said alternate bonds, will be payable from ad valorem property taxes upon all taxable property in the City without limitation as to rate or amount (the "*Pledged Taxes*"); and

WHEREAS, the City has heretofore issued its General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012A (the *"2012A Bonds"*), a portion of which bonds remain outstanding and unpaid and which bonds are secured by a pledge of the Pledged Revenues; and

WHEREAS, the 2020 Alternate Bonds to be issued will be payable, ratably and equally with the outstanding 2012A Bonds and Prior Bonds not refunded by the Bonds, from the Pledged Revenues; and

WHEREAS, the Property Tax Extension Limitation Law of the State of Illinois, as amended (the *"Limitation Law"*), imposes certain limitations on the "aggregate extension" of certain property taxes levied by the City, but provides that the definition of "aggregate extension" contained in Section 18-185 of the Limitation Law does not include "extensions made for payments of principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act"; and

WHEREAS, the Corporate Authorities do hereby find and determine that the bonds proposed to be issued hereunder are being issued pursuant to Section 15 of the Debt Reform Act; and

WHEREAS, the County Clerk of The County of Jo Daviess, Illinois (the *"County Clerk"*), is therefore authorized to extend and collect said direct annual ad valorem tax so levied for the payment of said bonds, as alternate bonds, without limitation as to rate or amount; and

WHEREAS, in accordance with the terms of the Prior Bonds, the Refunded Bonds may be called for redemption in advance of their maturity, and the Board has further determined that it is necessary and desirable to make such call for redemption of the Refunded Bonds on their earliest possible call date, and provide for the giving of proper notice to the registered owners of the Refunded Bonds:

NOW, THEREFORE, Be It Ordained by the City Council of the City of Galena, Jo Daviess County, Illinois, as follows:

Section 1. Definitions. The words and terms used in this Ordinance shall have the meanings set forth and defined for them herein unless the context or use clearly indicates another or different meaning is intended, including the words and terms as follows:

"Additional Bonds" means any Alternate Bonds issued in the future in accordance with the provisions of the Act on a parity with and sharing equally in the Pledged Revenues with the Bonds, the 2012A Bonds and the Prior Bonds.

"Alternate Bonds" means any Outstanding Bonds issued as alternate bonds under and pursuant to the provisions of the Reform Act, and includes, expressly, the Bonds.

"Applicable Law" means, collectively, the Municipal Code, the Reform Act, and the Property Tax Extension Limitation Law, as amended.

"Bond" or *"Bonds"* or *"2020 Alternate Bonds"* means one or more, as applicable, of the not to exceed $6,500,000 General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source), Series 2020, authorized to be issued by this Ordinance.

"Bond Counsel" means Chapman and Cutler LLP, Chicago, Illinois.

"Bond Fund" means the 2020 Alternate Bond Fund established hereunder and further described by Section 13 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" or *"Paying Agent"* means a bank with trust powers or a trust company duly authorized to do business in the State of Illinois, as bond registrar and paying agent, as set forth in the Bond Notification.

"City" means the City of Galena, Jo Daviess County, Illinois.

"Code" means the Internal Revenue Code of 1986, as amended.

"Corporate Authorities" means the Council of the City.

"County Clerk" means the County Clerk of The County of Jo Daviess, Illinois.

"Depository" means The Depository Trust Company, New York, New York, or success depository duly qualified to hold securities in a book-entry only system, and assigns.

"Designated Officers" means the Mayor, City Clerk, Treasurer or City Administrator of the City, or successors or assigns, or any of them acting together.

"Expense Fund" means the fund established hereunder and further described by Section 21 of this Ordinance.

"Fiscal Year" means that twelve-calendar month period selected by the Corporate Authorities as the Fiscal Year for the City.

"Municipal Code" means the Illinois Municipal Code, as supplemented and amended.

"Ordinance" means this ordinance as supplemented or amended from time to time.

"Outstanding" or *"outstanding"* when used with reference to the Bonds, the Prior Bonds, the 2012A Bonds and any Additional Bonds means such of those bonds which are outstanding and unpaid; *provided, however,* such term shall not include Bonds, Prior Bonds, 2012A Bonds or Additional Bonds (i) which have matured and for which moneys are on deposit with proper paying agents or are otherwise sufficiently available to pay all principal thereof and interest thereon or (ii) the provision for payment of which has been made by the City by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of, redemption premium, if any, and interest on such Bonds, Prior Bonds, 2012A Bonds or Additional Bonds.

"Pledged Moneys" means, collectively, Pledged Revenues and Pledged Taxes as both are defined herein.

"Pledged Revenues" means distributions to the City by the State of Illinois of sales taxes, or successor taxes thereto.

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

"Purchase Price" means the price paid by the Purchaser for the Bonds, the same being not less than 96.0% of the principal amount of the Bonds (net of original issue premium or discount), plus accrued interest, if any, to date of delivery.

"Purchaser" means Robert W. Baird & Co. Incorporated, Naperville, Illinois.

"Qualified Investments" means any investment authorized under Illinois law for City investment of public funds.

"Record Date" means the fifteenth day of the month of any regularly scheduled interest payment date and fifteen days prior to any interest payment date occasioned by a redemption of Bonds on other than a regularly scheduled interest payment date.

"Reform Act" means the Local Government Reform Act of the State of Illinois, as supplemented and amended.

"Refunded Bonds" means that portion of the Prior Bonds to be refunded in connection with the issuance of the Bonds.

"Representation Letter" means the written letter or agreement by and between the City and the Depository and necessary to effectuate a book-entry only system for the Bonds.

"2020 Pledged Sales Tax Account" means the 2020 Sales Tax Account created hereunder by the City and pledged to the payment of the Bonds.

Section 2. Incorporation of Preambles. The Corporate Authorities hereby find that the recitals contained in the preambles to this Ordinance are true and correct and do 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 for the City to undertake the Refunding for the financial best interests of the City and of its residents, and to issue the Bonds to enable the City to pay the costs thereof.

Section 4. Determination of Public Purpose. The Corporate Authorities do hereby determine the Refunding is a proper public purpose for the City, and this finding shall be determinative for all purposes under the Reform Act and Applicable Law.

Section 5. Bond Details. For the purpose of providing for the payment of the costs of the Refunding, there shall be issued and sold the Bonds in the principal amount of not to exceed $6,500,000. The Bonds shall each be designated "General Obligation Refunding Bond (Sales Tax Alternate Revenue Source), Series 2020". The Bonds shall be dated such date (not later than August 10, 2020) as set forth in the Bond Notification (as hereinafter defined), and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of $5,000 each or authorized integral multiples thereof unless otherwise set forth in the Bond Notification (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on December 30 of each of the years (not later than 2034), in the amounts (not exceeding $570,000 per year) and bearing interest at the rates (not exceeding 6.00% per annum) as set forth in the Bond Notification. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semi-annually commencing with the first interest payment date as set forth in the Bond Notification, and on June 30 and December 30 of each year thereafter to maturity.

Interest on each Bond shall be paid by check or draft of the Paying Agent, 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 Record Date, or as otherwise agreed by the City and the Depository while the Bonds remain in book-entry only form as hereinafter provided. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal office maintained for the purpose by the Paying Agent or at successor Paying Agent and address.

Section 6. *Execution; Authentication.* The Bonds shall be executed on behalf of the City with the manual or duly authorized facsimile signature of the Mayor and attested with the manual or duly authorized facsimile signature of the City Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the City. In case any 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. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 7. *Redemption.* (a) *Optional Redemption.* All or a portion of the Bonds due on and after the date, if any, specified in the Bond Notification shall be subject to redemption prior to maturity at the option of the City from any available funds, as a whole or in part, and if in part in integral multiples of $5,000 in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on the date specified in the Bond Notification, and on any date thereafter, at the redemption prices (expressed as a

percentage of the principal amount redeemed and not to exceed 100%) plus accrued interest to the date fixed for redemption, as set forth in the Bond Notification.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Notification are subject to mandatory redemption, in integral multiples of $5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 30 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Notification.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the City may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Council shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

(c) *General.* The Bonds shall be redeemed only in the principal amount of $5,000 and integral multiples thereof. The City shall, at least forty-five (45) days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery 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 make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the City 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.

Section 8. *Redemption Procedure.* The Bonds subject to redemption shall be identified, notice given, and paid and redeemed pursuant to the procedures as follows.

1. *Redemption Notice.* For a mandatory redemption of Term Bonds, the Bond Registrar shall proceed to redeem the Term Bonds without any further order or direction from the City whatsoever. For an optional redemption, the City shall, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the principal amount and maturities of Bonds to be redeemed.

2. *Selection of Bonds within a Maturity.* For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar for the Bonds of such maturity by such method of lottery 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 make such selection (1) upon or prior to the time of the giving of official notice of

redemption, or (2) in the event of a refunding or defeasance, upon advice from the City that certain Bonds have been refunded or defeased and are no longer Outstanding as defined.

3. *Official Notice of Redemption.* The Bond Registrar shall promptly notify the City 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, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class U.S. mail not less than 30 days and not more than 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 such registered owner to the Bond Registrar. All official notices of redemption shall include the name of the Bonds and at least the information as follows:

(a) the redemption date;

(b) the redemption price;

(c) if less than all of the outstanding Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed;

(d) 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 said date; and

(e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office designated for that purpose of the Bond Registrar.

4. *Conditional Redemption.* Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

5. *Bonds Shall Become Due.* Official notice of redemption having been given as described, the Bonds or portions of Bonds so to be redeemed shall, subject to the stated condition in paragraph (D) immediately preceding, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due.

6. *Insufficiency in Notice Not Affecting Other Bonds; Failure to Receive Notice; Waiver.* 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 other registered owners. 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 redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners 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. *In lieu of the foregoing official notice, so long as the Bonds are held in book entry form, notice may be given as provided in the Representation Letter, and the giving of such notice shall constitute a waiver by DTC and the book entry owner, as registered owner, of the foregoing notice. After giving proper notification of redemption to the Bond Registrar, as applicable, the City shall not be liable for any failure to give or defect in notice.*

7. *New Bond in Amount Not Redeemed.* Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of Authorized Denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

8. *Effect of Nonpayment upon Redemption.* If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall become due and payable on demand, as aforesaid, but, until paid or duly provided for, shall continue to bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption.

9. *Bonds to Be Cancelled; Payment to Identify Bonds.* All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued. Upon the payment of the redemption price of Bonds being redeemed, each check

or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

10. *Additional Notice.* The City agrees to provide such additional notice of redemption as it may deem advisable at such time as it determines to redeem Bonds, taking into account any requirements or guidance of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the Government Accounting Standards Board, or any other federal or state agency having jurisdiction or authority in such matters; *provided, however,* that such additional notice shall be (1) advisory in nature, (2) solely in the discretion of the City (unless a separate agreement shall be made), (3) not be a condition precedent of a valid redemption or a part of the Bond contract, and (4) any failure or defect in such notice shall not delay or invalidate the redemption of Bonds for which proper official notice shall have been given. Reference is also made to the provisions of the Continuing Disclosure Undertaking of the City with respect to the Bonds, which may contain other provisions relating to notice of redemption of Bonds.

11. *Bond Registrar to Advise City.* As part of its duties hereunder, the Bond Registrar shall prepare and forward to the City a statement as to notices given with respect to each redemption together with copies of the notices as mailed..

Section 9. Book-Entry System Authorized; Registration of Bonds; Owners. (A) BOOK-ENTRY SYSTEM AUTHORIZED. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register therefor in the name of CEDE & Co., or any successor thereto, as nominee of the Depository. All of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of CEDE & Co., as nominee of the Depository. Any

Designated Officer is authorized to execute and deliver on behalf of the City a Representation Letter. Without limiting the generality of the authority given to such Designated Officer 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 or 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 CEDE & Co., as nominee of the Depository, the City and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institutions 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 holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the City and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, CEDE & Co., or any Depository Participant 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, or 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.

No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. 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 CEDE & Co., and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name "CEDE & Co." in this Ordinance shall refer to such new nominee of the Depository.

In the event that (a) the City determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the City, the Bond Registrar and the Depository evidenced by the Representation Letter shall be terminated for any reason, or (c) the City determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify the Depository 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 CEDE & Co., as nominee of the Depository. The City 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 City, or such depository's agent or designee, and if the City 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 CEDE & Co., as 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.

In the event that the Bonds ever become generally registrable, as aforesaid, the City Treasurer may, in his or her discretion at such 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 that the 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) REGISTRATION. The City shall cause the Bond Register to be kept at the principal office maintained for the purpose by 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 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 relevant Record Date or the giving of notice of redemption of Bonds to the opening of business on such interest payment date or to transfer or exchange any Bond all or a portion of which has been called for redemption.

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 the owner's 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 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 10. 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 JO DAVIESS

CITY OF GALENA

GENERAL OBLIGATION REFUNDING BOND (SALES TAX ALTERNATE REVENUE SOURCE)
SERIES 2020

See Reverse Side for
Additional Provisions

Interest Rate: ____%	Maturity Date: December 30, 20__	Dated Date: _____, 2020	CUSIP 363262 __

Registered Owner: CEDE & CO.

Principal Amount: Dollars

KNOW ALL PERSONS BY THESE PRESENTS that the City of Galena, Jo Daviess County, Illinois, a municipality and unit of local government 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 Interest Rate per annum identified above, such interest to be payable semiannually on June 30 and December 30 of each year, commencing on June 30, 2020, until the Principal Amount is paid or duly provided for, except as the hereinafter stated provisions for redemption prior to maturity may and shall become applicable hereto. The Principal Amount of this Bond is payable in lawful money of the United States of America upon

presentation at the principal office maintained for the purpose by _____, _____, _____, as paying agent and bond registrar (the *"Paying Agent"* or *"Bond Registrar"*). Payment of interest shall be made to the Registered Owner hereof, as shown on the registration books of the City maintained by Bond Registrar at the close of business on the Record Date. Interest shall be paid by check or draft of the Paying Agent, 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, or as otherwise agreed by the City and the Depository for so long as this Bond remains in book-entry only form.

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 acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done and have happened and have been performed in regular and due form of law; that the indebtedness of the City, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law, unless the Pledged Taxes shall have been extended pursuant to the general obligation full faith and credit promise supporting the Bonds, in which case the amount of the Bonds then outstanding shall be included in the computation of indebtedness of the City for purposes of all statutory provisions or limitations until such time as an audit of the City shall show that the Bonds have been paid from the Pledged Revenues for a complete Fiscal Year; that provision has been made for the collection of the Pledged Revenues, the levy and collection of the Pledged Taxes, and the segregation of the Pledged Moneys to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the City hereby covenants and agrees that it will properly account for said

Pledged Moneys and will comply with all the covenants of and maintain the funds and accounts as provided by the Ordinance. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the City are hereby irrevocably pledged.

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 Galena, Jo Daviess County, Illinois, by its City Council, has caused this Bond to be executed with 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.

Terry J. Renner

Mayor, City of Galena,
Jo Daviess County, Illinois

ATTEST:

Mary Beth Hyde

City Clerk, City of Galena,
Jo Daviess County, Illinois

[SEAL]

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____ _____, 2020

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source), Series 2020, of the City of Galena, Jo Daviess County, Illinois.

_____

_____,

_____, _____, as Bond Registrar

[Form of Bond - Reverse Side]

CITY OF GALENA, JO DAVIESS COUNTY, ILLINOIS

GENERAL OBLIGATION REFUNDING BOND (SALES TAX ALTERNATE REVENUE SOURCE) SERIES 2020

This bond and the bonds of the series of which it forms a part (*"Bond"* and *"Bonds"* respectively) are of an authorized issue of $_____ of like dated date and tenor except as to maturity, rate of interest and right of redemption prior to maturity, and are issued pursuant to the Illinois Municipal Code, as amended, the Local Government Reform Act, as amended, and the Property Tax Extension Limitation Law, as amended, all acts of the General Assembly of the State of Illinois, and as supplemented and amended (*"Applicable Law"*), for the purpose of paying the costs of refunding a portion of the City's outstanding General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 2010 (the *"Prior Bonds"*), as more fully described in the Ordinance as herein below defined. The Bonds are issued pursuant to an ordinance adopted by the City Council of the City on the 10th day of February, 2020 (the *"Ordinance"*), to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the Registered Owner by the acceptance of this Bond assents.

The Bonds are secured, ratably and equally with the Prior Bonds not refunded by the Bonds and with certain heretofore issued General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012A, by a pledge of certain distributions to the City by the State of Illinois of sales taxes, or successor taxes (the *"Pledged Revenues"*). The Bonds are also payable from ad valorem taxes levied against all of the taxable property in the City without limitation as to rate or amount (the *"Pledged Taxes"*) (the available Pledged Revenues and the Pledged Taxes being collectively called the *"Pledged Moneys"*), all in accordance with the provisions of the Applicable Law.

Under the Applicable Law and the Ordinance, the Pledged Revenues shall be deposited into the 2020 Sales Tax Account, which shall be used only and may hereafter be pledged for paying principal of and interest on all bonds of the City that are payable by their terms from the Pledged Revenues and in making all payments required to maintain the accounts established under the Ordinance. Bonds may be issued in the future to share in the Pledged Revenues on a parity as to lien with the Outstanding Bonds (including this issue) or having a lien senior to the lien of the Bonds.

The Bonds due on and after December 30, 20__, are subject to redemption prior to maturity, at the option of the City, from any available funds, in whole or in part on any date on or after December 30, 20__, and if in part, in such principal amounts and from such maturities as may be determined by the City, and if less than an entire maturity, in integral multiples of $5,000, selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the date of redemption.

Unless waived by the Registered Owner of Bonds to be redeemed, notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class mail not less than 30 days and not more than 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 such Registered Owner to the Bond Registrar. 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 other Registered Owners. 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 redemption action described in the notice. Such notice may be waived in writing by a Registered Owner of a Bond entitled to receive such notice, either before

or after the event, and such waiver shall be the equivalent of such notice. 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, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

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 City, the Paying Agent 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, the Paying Agent nor the Bond Registrar shall be affected by any notice to the contrary.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

[Identifying Numbers]

_____

_____

(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 11. Treatment of Bonds as Debt. The Bonds shall be payable from the Pledged Moneys and shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in Section 14 hereof, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the City for purposes of all statutory provisions or limitations until such time as an audit of the City shall show that the Bonds have been paid from the Pledged Revenues for a complete Fiscal Year, in accordance with the Reform Act.

Section 12. The Sales Tax Fund. There is hereby created and established a special fund of the City to be known as the "Pledged Sales Tax Account (2020)" (the *"2020 Pledged Sales Tax*

Account"), to be held by the City separate and apart from all other funds and accounts of the City. All of the Pledged Revenues designated to pay principal of, interest on and premium, if any, on the Bonds and any Additional Bonds shall be set aside as collected and remitted by the City Treasurer for deposit in the 2020 Pledged Sales Tax Account, which is a trust fund hereby created for the purpose of carrying out the covenants, terms and conditions imposed upon the City by the Reform Act and this Ordinance. The Bonds are secured, ratably and equally with the Prior Bonds not refunded by the Bonds and the 2012A Bonds, by a pledge of all of the Pledged Revenues on deposit in the 2020 Pledged Sales Tax Account, and such pledge is irrevocable until the obligations of the City are discharged under this Ordinance.

The City Treasurer is hereby expressly authorized and directed to set aside from each distribution to the City by the State of sales taxes, or successor taxes thereto, so much of said distribution as he or she shall reasonably determine is necessary to establish a balance on deposit in and to the credit of the 2020 Pledged Sales Tax Account sufficient to meet the requirements of this Ordinance for the then current Bond Year. Said amount shall be immediately deposited each month by said Treasurer into the 2020 Pledged Sales Tax Account until the credit balance of said Account is, in the reasonable determination of the City Treasurer, sufficient to meet said requirements.

Not later than each November 30, commencing November 30, 2020, the City Treasurer shall conduct an accounting (an *"Accounting"*) to determine the balance of Pledged Revenues on deposit in and to the credit of the 2020 Pledged Sales Tax Account.

Each Accounting shall determine the Principal Requirement and the Interest Requirement the next Bond Year. If, upon any Accounting, there are funds on deposit in and to the credit of the 2020 Pledged Sales Tax Account in excess of such Principal Requirement and such Interest Requirement, such funds shall be transferred by the City Treasurer to the general corporate funds

of the City as hereinbelow provided. The City Treasurer is hereby expressly directed and authorized to use moneys on deposit in and to the credit of the 2020 Pledged Sales Tax Account to pay principal of and interest on the Outstanding Bonds.

Commencing with the November 30, 2020, Accounting, in the event the City Treasurer shall determine upon any Accounting that Pledged Revenues are not necessary fully to pay (at Stated Maturity, upon redemption or otherwise) the Principal Requirement and the Interest Requirement, the balance of the Pledged Revenues then on deposit in and to the credit of the 2020 Pledged Sales Tax Account in excess of the necessary amount shall be released from the pledge of this Ordinance, and the City Treasurer shall promptly transfer such balance in excess of the necessary amount to the City to be used by the City for any lawful corporate purpose. Upon any such transfer and release, any such moneys shall no longer be deemed to be "Pledged Revenues" under this Ordinance, and no registered owner of any Bond issued hereunder shall have the power to compel the City to apply such sales taxes to the payment of principal of, premium, if any, or interest on the Bonds.

B. *Investments*. Except as otherwise expressly provided, moneys to the credit of the 2020 Pledged Sales Tax Account may be invested pursuant to any authorization granted to municipal corporations by Illinois statute or court decision.

After making provision for the payment of any amount of excess arbitrage profits, as provided in the Code, attributable to investment earnings or profits to the hereinafter created Rebate Fund for the Outstanding Bonds, all earnings or profit on any funds so invested in the Alternate Bond and Interest Subaccount shall be retained therein. The City may take credit for such earnings or profits (not transferred to a Rebate Fund) in its final monthly accounting for the Accounts of the 2020 Pledged Sales Tax Account in any Fiscal Year.

Moneys in any of said Accounts shall be invested by the Treasurer, if necessary, in investments restricted as to yield, which investments may be in United States Treasury Obligations—State and Local Government Series, if available, and to such end the Treasurer shall refer to any investment restrictions covenanted by the City or any Designated Officer thereof as part of the transcript of proceedings for the issuance of the Bonds, and to appropriate opinions of counsel.

C. *Account Excesses*. Any amounts to the credit of the Accounts of the 2020 Pledged Sales Tax Account in excess of the then current requirements therefor may be transferred at any time by the Corporate Authorities to such other Account or Accounts of the 2020 Pledged Sales Tax Account as it may in its sole discretion designate.

Section 13. Alternate Bond Fund. There is hereby created a special fund of the City, which fund shall be separate and apart from all other funds and accounts of the City and be known as the "2020 Alternate Bond Fund" (the *"Bond Fund"*). The purpose of the Bond Fund is to provide a fund to receive and disburse Pledged Taxes for any (or all) of the Bonds. All payments made with respect to the Bonds from the Pledged Revenues shall be made directly from the 2020 Pledged Sales Tax Account. All Pledged Taxes shall be deposited to the credit of the Bond Fund. The Bond Fund constitutes a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance.

Pledged Taxes on deposit to the credit of the Bond Fund shall be fully spent to pay the principal of and interest on the Bonds prior to use of any moneys on deposit in the 2020 Pledged Sales Tax Account.

Section 14. Pledged Taxes; Tax Levy. The Bonds are Alternate Bonds. For the purpose of providing funds to pay the principal of and interest on the Bonds, and as provided in Section 15 of the Reform Act, 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 for each of the years while the Bonds or any of them are Outstanding, in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the City direct annual taxes in the amounts and for the years as follows (the *"Pledged Taxes"*):

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2020	$564,245.00	for principal and interest up to and including December 30, 2021
2021	566,645.00	for principal and interest
2022	563,445.00	for principal and interest
2023	564,845.00	for principal and interest
2024	565,645.00	for principal and interest
2025	565,475.00	for principal and interest
2026	564,497.50	for principal and interest
2027	567,697.50	for principal and interest
2028	564,847.50	for principal and interest
2029	566,142.50	for principal and interest
2030	566,350.00	for principal and interest
2031	564,975.00	for principal and interest
2032	567,700.00	for principal and interest
2033	564,300.00	for principal and interest

Following any extension of Pledged Taxes, interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes herein levied; and when the Pledged 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 the holders of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the foregoing tax levy and the City and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

To the extent that the taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Notification, the Mayor, City Clerk and City Treasurer are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in the following bond year. Proper notice of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement.

Section 15. Filing with County Clerk. After this Ordinance becomes effective, a copy hereof, certified by the City Clerk, shall be filed with the County Clerk. The County Clerk shall in and for each of the years required ascertain the rate percent required to produce the aggregate Pledged Taxes hereinbefore provided to be levied in each of said years as set forth hereinabove; 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 in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes of the City for said years are levied and collected, and in addition to and in excess of all other taxes. The Pledged Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying principal of and interest on the Bonds.

The Mayor, City Clerk and City Treasurer be and the same 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 Prior Bonds being refunded and directing the abatement of the taxes heretofore levied to pay the Refunded Bonds.

Section 16. Use of Taxes Heretofore Levied. All proceeds received or to be received from any taxes heretofore levied to pay principal and interest on the Refunded Bonds, including the proceeds received or to be received from the taxes levied for the years 2018 and 2019 for such

purpose, shall be used to pay the principal of and interest on the Refunded Bonds and to the extent that such proceeds are not needed for such purpose because of the establishment of the escrow referred to in Section 21 hereof, the same shall be deposited into the Bond Fund and used to pay principal and interest on the Bonds in accordance with all of the provisions of this Ordinance.

Section 17. Abatement of Pledged Taxes. As provided in the Applicable Law and upon the terms and conditions set forth in Section 13 hereof, whenever the Pledged Revenues shall have been determined by the Corporate Authorities to provide an amount not less than an amount equal to debt service on the Bonds, the Corporate Authorities or such officers of the City acting with proper authority shall direct the deposit of such amount into the Bond Fund and shall then direct the abatement of the Pledged Taxes by the amount so deposited, and proper notification of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement.

Section 18. General Covenants. The City covenants and agrees with the registered owners of the Bonds, so long as any Bonds remain Outstanding, as follows:

A. The City pledges the Pledged Revenues to the payment of the Bonds, and the Corporate Authorities covenants and agrees to provide for, collect and apply Pledged Revenues to the payment of the Bonds payable from such Pledged Revenues as hereinabove provided and the provision of not less than an additional .25 times debt service. The determination of the sufficiency of the Pledged Revenues pursuant to this subsection (A) shall be supported by reference to the most recent audit of the City, and the reference to and acceptance of such audit by the Corporate Authorities shall be conclusive evidence that the conditions of Section 15 of the Reform Act have been met.

B. The City will punctually pay or cause to be paid from the 2020 Pledged Sales Tax Account and from the Bond Fund the principal of and interest on the Bonds in strict

conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof and hereof.

C. The City will pay and discharge, or cause to be paid and discharged, from the 2020 Pledged Sales Tax Account and the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Moneys, or any part thereof, or upon any funds in the hands of the Paying Agent, or which might impair the security of the Bonds. Nothing herein contained shall require the City to make any such payment so long as the City in good faith shall contest the validity of said claims.

D. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Pledged Moneys, the 2020 Pledged Sales Tax Account and the Bond Fund.

E. The City will preserve and protect the security of the Bonds and the rights of the registered owners of the Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

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

G. As long as any Bonds are Outstanding, the City will continue to deposit and apply the Pledged Revenues and, if applicable, the Pledged Taxes as provided herein. The City covenants and agrees with the purchasers of the Bonds and with the registered owners

thereof that so long as any Bonds remain Outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy the Pledged Taxes and to collect and to segregate the Pledged Moneys. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes can be levied and extended and that the Pledged Revenues and the Pledged Taxes may be collected and deposited into the 2020 Pledged Sales Tax Account and the Bond Fund, respectively, as provided herein.

H. The Outstanding Bonds shall be and forever remain until paid or defeased the general obligation of the City, for the payment of which its full faith and credit are pledged, and shall be payable, in addition to from the Pledged Revenues, as herein provided, from the levy of the Pledged Taxes as provided in the Reform Act.

I. Within 210 days following the close of each Fiscal Year, the City will cause the books and accounts of the Fund to be audited by independent certified public accountants in accordance with appropriate audit standards. Said audit will be available for inspection by the registered owners of any of the Bonds.

Section 19. Additional Bonds. The City reserves the right to issue Additional Bonds from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Bonds, the Prior Bonds and the 2012A Bonds; *provided, however,* that no Additional Bonds shall be issued except upon compliance with the provisions of the Reform Act as the Reform Act is written at this time.

Section 20. Sale of the Bonds. Any two of the Designated Officers, one of whom shall be an elected official, are hereby authorized to proceed not later than August 10, 2020, without any further authorization or direction from the Corporate Authorities, to sell the Bonds, in one or more series, upon the terms as prescribed in this Ordinance. The Bonds hereby authorized shall

be executed as in this Ordinance provided as soon after the delivery of the Bond Notification as may be, and thereupon be deposited with the City Treasurer. After authentication of the Bonds by the Bond Registrar, the City Treasurer shall deliver to the Purchaser the Bonds upon receipt of the Purchase Price, it being hereby found and determined that the sale of the Bonds to the Purchaser is in the best interests of the City.

Prior to the sale of the Bonds, any of the Designated Representatives is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure the Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Municipal Bond Insurance Policy.

Upon the sale of the Bonds or any series of the Bonds, the Designated Officers shall prepare a Notification of Sale of the Bonds, which shall include the pertinent details of sale as provided herein (the *"Bond Notification"*). In the Bond Notification, the Designated Representatives shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by applicable law. The Bond Notification shall be entered into the records of the City and made available to the Corporate Authorities at the next regular meeting thereof; but such action shall be for information purposes only, and the Corporate Authorities shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Notification.

Upon the sale of the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Officers, the Mayor, City Clerk, City Administrator and City

Treasurer and any other officers of the City, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, any contracts (or bid forms) for the sale of the Bonds between the City and the Purchaser (the *"Purchase Contract"*).

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (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 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, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 21. Use of Proceeds. The proceeds received from the sale of the Bonds shall be used as follows:

A. Accrued interest and capitalized interest, if any, shall be credited to the 2020 Pledged Sales Tax Account and applied to pay first interest due on the Bonds.

B. The amount necessary of the proceeds of the Bonds shall be deposited into a separate fund, hereby created, designated the *"Expense Fund"* to be used to pay expenses of issuance of Bonds. Disbursements from such fund shall be made from time to time by the City Treasurer without further action of the Corporate Authorities. Any excess in said fund shall be deposited into the 2020 Sales Tax Account after six months from the date of issuance of the Bonds and shall be used to pay principal and interest on the Bonds.

C. The balance of the proceeds, together with such additional amounts as may be necessary or advisable, shall be used for the purpose of effectuating the Refunding and to that end shall be deposited in escrow pursuant to an escrow agreement to be entered into between the City and the escrow agent, the same being a bank or financial institution authorized to do business in the State of Illinois (the *"Escrow Agent"*), in substantially in

the form attached hereto as *Exhibit A* (the *"Escrow Agreement"*) and made a part hereof by this reference, or with such changes therein as shall be approved by the officers of the City executing the Escrow Agreement, such execution to constitute evidence of the approval of such changes for the purpose of paying the principal and interest of the Refunded Bonds upon redemption prior to maturity. The Council approves the form, terms and provisions of the Escrow Agreement and directs the Mayor and the City Clerk to execute, attest, seal and deliver the Escrow Agreement in the name and on behalf of the City. Amounts in the escrow may be used to purchase Government Securities (as defined in the Escrow Agreement) to provide for the principal and interest payable on the Refunded Bonds upon redemption thereof. The Escrow Agent and the Purchaser are each hereby authorized to act as agent for the City in the purchase of the Government Securities. At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the City from the proceeds of the Bonds.

Section 22. Call of Refunded Bonds. In accordance with the redemption provisions of the ordinances authorizing the issuance of the Refunded Bonds, the City by the Council does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds for redemption on their earliest possible and practicable redemption date, all as provided by the terms of the Escrow Agreement.

Section 23. 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 Internal Revenue Code of 1986, as amended (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 (the "*IRS*") 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 IRS 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 Council hereby authorizes the officials of the City responsible for issuing the Bonds, the same being the Mayor, City Clerk and City Treasurer, to make such further covenants and certifications regarding the specific use of the proceeds of the Bonds as approved by the 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 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 24. Designation of Issue. The Corporate Authorities hereby designate the Bonds as a "qualified tax-exempt obligation" for the purposes, within the meaning of and to the extent permitted by Section 265(b)(3) of the Code.

Section 25. Municipal Bond Insurance. In the event the payment of principal of and interest on the Bonds is insured pursuant to a municipal bond insurance policy (a *"Municipal Bond Insurance Policy"*) issued by a bond insurer (a *"Bond Insurer"*), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the City and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer when holding the Bonds, amendment hereof, or other terms, as approved by any authorized City officer on advice of counsel, his or her approval to constitute full and complete acceptance by the City of such terms and provisions under authority of this Section.

Section 26. Bond Registrar Covenants. If requested by the Bond Registrar, the Designated Officers are authorized to execute a Bond Registrar's agreement by and between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder. Such duties shall 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 to the extent permitted by law;

(c) to give notice, if any, of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(e) to furnish the City at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the City at least annually an audit confirmation of Bonds paid, Outstanding Bonds and payments made with respect to interest on the Bonds.

The City Clerk is hereby directed to file a certified copy of this Ordinance with the Bond Registrar.

The City covenants with respect to the Bond Registrar, and the Bond Registrar further covenants and agrees as follows:

A. The City shall at all times retain a Bond Registrar with respect to the Bonds; it will maintain at the designated office(s) of such Bond Registrar a place or places where Bonds may be presented for payment, registration, transfer or exchange; and it will require that the Bond Registrar properly maintain the Bond Register and perform the other duties and obligations imposed upon it by this Ordinance in a manner consistent with the standards, customs and practices of the municipal securities industry.

B. The Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing the certificate of authentication on any Bond, and by such execution the Bond Registrar shall be deemed to have certified to the City that it has all requisite power to accept and has accepted such duties and obligations not only with respect to the Bond so authenticated but with respect to all the Bonds. Any Bond Registrar shall be the agent of the City and shall not be liable in connection with the performance of its duties except for its own negligence or willful wrongdoing. Any Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on Bonds.

C. The City may remove the Bond Registrar at any time. In case at any time the Bond Registrar shall resign, shall be removed, shall become incapable of acting, or shall be adjudicated a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Bond Registrar or of the property thereof shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or of the property or affairs thereof, the City covenants and agrees that it will thereupon appoint a successor Bond Registrar. The City shall give notice of any such appointment made by it to each registered owner of any Bond within twenty days after such appointment in the same manner, or as nearly the same as may be practicable, as for a redemption of Bonds. Any Bond Registrar appointed under the provisions of this Section shall be a bank, trust company, or national banking association maintaining its principal corporate trust office in Illinois, and having capital and surplus and undivided profits in excess of $10,000,000.

Section 27. Continuing Disclosure Undertaking. The Designated Officers are hereby authorized to execute and deliver the Continuing Disclosure Undertaking, in substantially the form provided by Bond Counsel and approved by the City Attorney, to effect compliance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. When such Continuing Disclosure Undertaking is executed and delivered on behalf of the City, it will be binding on the City and the officers, agents, and employees of the City, and the same are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Continuing Disclosure Undertaking as executed and delivered. Notwithstanding any other provisions hereof, the sole remedies for failure to comply with such Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause to the City to comply with its obligations thereunder.

Section 28. *This Ordinance a Contract.* The provisions of this Ordinance shall constitute a contract between the City and the registered owners of the Bonds, and the Escrow Agent under the Escrow Agreement, each in accordance with terms hereof; and no changes, additions or alterations of any kind shall be made hereto.

Section 29. *Record-Keeping Policy and Post-Issuance Compliance Matters.* It is necessary and in the best interest of the City to maintain sufficient records to demonstrate compliance with its covenants and expectations 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, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds (including the Bonds, the *"Tax Advantaged Obligations"*). Further, it is necessary and in the best interest of the City that (i) the City Council adopt policies with respect to record-keeping and post issuance compliance with the City's covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least annually review the City's Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations. The City Council and the City hereby adopt the following Record-Keeping Policy and, in doing so, amend any similar Record-Keeping Policy or Policies heretofore adopted:

(a) *Compliance Officer is Responsible for Records.* The City Administrator (the *"Compliance Officer"*) is hereby designated as the keeper of all records of the City with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the City Council at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (i) the proceedings of the City authorizing the Tax Advantaged Obligations, (ii) any offering

document with respect to the offer and sale of the Tax Advantaged Obligations, (iii) any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the City with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the City Council stating whether or not the City has any rebate liability to the United States Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the City Council.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the City must meet in order to maintain the tax-exemption of interest paid on its Tax Advantaged Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on its Tax Advantaged Obligations, and applicable tax credits or other tax benefits arising from its Tax Advantaged Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Advantaged Obligations is entitled to be excluded from "gross income" for federal income tax purposes, that the City is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on its Tax Advantaged Obligations, and the entitlement of holders of any Tax Advantaged Obligations to any tax credits or other tax benefits, respectively. Notwithstanding any other policy of the City, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all Tax Advantaged Obligation proceeds for their intended purposes, and records showing the assets and other property financed by such disbursements;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held or in which funds to be used for the payment of principal of or interest on any Tax Advantaged Obligations has been held, or which has provided security to the holders or credit enhancers of any Tax Advantaged Obligations;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged

Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the United States Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the United States Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the City, including any leases (the *"Contracts"*), with respect to the use of any property owned by the City and acquired, constructed or otherwise financed or refinanced with the proceeds of the Tax Advantaged Obligations effective at any time when such Tax Advantaged Obligations are, will or have been outstanding. Copies of contracts covering no more than 50 days of use and contracts related to City employees need not be retained.

(e) *IRS Examinations or Inquiries*. In the event the IRS commences an examination of any issue of Tax Advantaged Obligations or requests a response to a compliance check, questionnaire or other inquiry, the Compliance Officer shall inform the City Council of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination or inquiry.

(f) *Annual Review*. The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the City Council, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

(g) *Training*. The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the City has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of

trade groups, read materials posted on various web sites, including the web site of the Tax Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the City's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Ordinance and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the *"Tax Agreements"*) to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these procedures. The Compliance Officer will review this Ordinance and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver*. The procedures described in this Section are only for the benefit of the City. No other person (including an owner of a Tax Advantaged Obligation) may rely on the procedures included in this Section. The City may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of an ordinance by the City Council. Additional procedures may be required for Tax Advantaged Obligations the proceeds of which are used for purposes other than capital governmentally owned projects or refundings of such, including tax increment financing bonds, bonds financing output facilities, bonds financing working capital, or private activity bonds. The City also recognizes that these procedures may need to be revised in the event the City enters into any derivative products with respect to its Tax Advantaged Obligations.

Section 30. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 31. Repealer. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

Section 32. Publication; Effective Date. This ordinance shall be published once within ten days of adoption in pamphlet form and shall be effective immediately upon its passage and approval.

PASSED by the Corporate Authorities on February 10, 2020.

APPROVED: February 10, 2020.

Terry J. Renner
Mayor

AYES: McCoy, Westemeier, Allendorf, Bernstein, Hahn, Kieffer, Renner

NAYS: None

ABSENT: None

RECORDED in the City Records on February 10, 2020.

Published in pamphlet form by authority of the Corporate Authorities on February 10, 2020.

ATTEST:

City Clerk

[SEAL]

EXHIBIT A

FORM OF ESCROW AGREEMENT

_____, 2020

_____
_____, _____

Re: City of Galena, Jo Daviess County, Illinois
$_____ General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source), Series 2020

Ladies and Gentlemen:

The City of Galena, Jo Daviess, Illinois (the *"City"*), by an ordinance adopted by the City Council of the City (the *"City Council"*) on the 10th day of February, 2020 (as supplemented by a notification of sale of bonds dated _____, 2020, the *"Bond Ordinance"*), has authorized the issue and delivery of $_____ General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source), Series 2020, dated _____, 2020 (the *"Bonds"*). The City has authorized by the Bond Ordinance that proceeds of the Bonds be used to pay and redeem on June 30, 2020, $5,385,000 of the City's outstanding and unpaid General Obligation Bonds (Sales Tax Alternate Revenue Source), Series 2010, dated January 26, 2010, maturing on December 30 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR	AMOUNT ($)	RATE (%)
2021	315,000	4.00
2022	330,000	4.00
2023	340,000	4.00
2024	355,000	4.00
2025	370,000	4.10
2026	385,000	4.15
2027	400,000	4.20
2028	420,000	4.25
2029	435,000	4.30
2030	455,000	4.35
2034	2,030,000	4.50

(the *"Refunded Bonds"*).

The City hereby deposits with you $_____ from the proceeds of the Bonds and $_____ from funds of the City on hand and lawfully available (collectively, the *"Deposit"*) and you are hereby instructed as follows with respect thereto:

_____, 2020

1. Upon deposit, you are directed to purchase non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America as to principal and interest in the amount of $_____, as described on *Exhibit A* hereto (the *"Government Securities"*), and said Government Securities to be redeemed on or before June 30, 2020. You are further instructed to fund a beginning cash escrow deposit on demand in the amount of $_____. The beginning deposit and the Government Securities are to be held in an irrevocable trust fund account (the *"Trust Account"*) for the City to the benefit of the holders of the Refunded Bonds.

2. You shall hold the Government Securities and any interest income or profit derived therefrom and any uninvested cash in the Trust Account for the sole and exclusive benefit of the holders of the Refunded Bonds until redemption of the Refunded Bonds on June 30, 2020, is made. You are hereby directed to redeem the Government Securities for delivery on or before June 30, 2020.

3. You shall promptly collect the principal, interest or profit from the proceeds deposited in the Trust Account and promptly apply the same as necessary to the payment of the Refunded Bonds as herein provided.

4. The City has called the Refunded Bonds for redemption and payment prior to maturity on June 30, 2020. You are hereby directed to provide for and give or cause the Prior Paying Agent (as hereinafter defined) to give timely notice of the call for redemption of the Refunded Bonds. The form and time of the giving of such notice regarding the Refunded Bonds shall be as specified in the ordinance authorizing the issuance of the Refunded Bonds. The City agrees to reimburse you for any actual out-of-pocket expenses incurred in the giving of such notice, but the failure of the City to make such payment shall not in any respect whatsoever relieve you from carrying out any of the duties, terms or provisions of this Agreement.

5. In addition, you are hereby directed to give or cause the Prior Paying Agent to give notice of the call of the Refunded Bonds, on or before the date or dates notice of such redemption is given to the holders of the Refunded Bonds, to the Municipal Securities Rulemaking City Council (the *"MSRB"*) through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Information with respect to procedures for submitting notice can be found at https://msrb.org.

6. You shall remit to U.S. Bank National Association, Chicago, Illinois, as paying agent for the Refunded Bonds (the *"Prior Paying Agent"*), the sum of $_____ on June 30, 2020, such sum being sufficient to pay the principal of and

_____
_____, 2020

interest on the Refunded Bonds on such date. Such remittance shall fully release and discharge you from any further duty or obligation thereto under this Agreement.

7. You shall make no payment of fees, due or to become due, of the bond registrar and paying agent on the Bonds or the Refunded Bonds. The City shall pay the same as they become due.

8. If at any time it shall appear to you that the funds on deposit in the Trust Account will not be sufficient to pay the principal of and interest on the Refunded Bonds, you shall notify the City not less than five (5) days prior to such payment date and the City shall make up the anticipated deficit from any funds legally available for such purpose so that no default in the making of any such payment will occur.

9. Upon final disbursement of funds sufficient to pay the Refunded Bonds as hereinabove provided for, you shall transfer any balance remaining in the Trust Account to the City and thereupon this Agreement shall terminate.

Very truly yours,

CITY OF GALENA, JO DAVIESS COUNTY, ILLINOIS

By Terry J. Renner
Mayor

By Mary Beth Hyde
City Clerk

Accepted this ____ day of _____, 2020.

_____,
_____, _____

By _____
Its _____

EXHIBIT A

GOVERNMENT SECURITIES

STATE OF ILLINOIS)
) SS
COUNTY OF JO DAVIESS)

CERTIFICATION OF ORDINANCE AND MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Galena, Jo Daviess County, Illinois (the *"City"*), and as such officer I am the keeper of the books, records, files, and journal of proceedings of the City and of the Council (the *"Corporate Authorities"*) thereof.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the legally convened meeting of the Corporate Authorities held on the 10th day of February, 2020, insofar as same relates to the adoption of an ordinance numbered _____ and entitled:

> AN ORDINANCE authorizing and providing for the issuance of not to exceed $6,500,000 General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source), Series 2020, of the City of Galena, Jo Daviess County, Illinois, for the purpose of refunding certain outstanding bonds of the City, pledging certain revenues of the City to the payment of principal of and interest on said bonds, providing for the imposition of taxes to pay the same and authorizing the sale of said bonds to the purchaser thereof.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all of the news media requesting such notice of said meeting was duly given to all of the news media requesting such notice; that an agenda for the meeting was posted on a day which was not a Saturday, Sunday or legal holiday for Illinois municipalities and at least 48 hours before the meeting at the location where said meeting was held and at the principal

_____
_____, 2020

office of the Corporate Authorities; that said agenda described or made specific reference to said ordinance; that a true, correct and complete copy of said agenda as so posted is attached hereto; that said meeting was called and held in strict accordance with the provisions of the Illinois Municipal Code and the Open Meetings Act of the State of Illinois, as amended; and that the Corporate Authorities has complied with all of the applicable provisions of said laws and its own procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the City, this 10th day of February, 2020.

Mary Beth Hyde
_____
City Clerk

[SEAL] **City Clerk to Attach Agenda**

City of Galena, Illinois

AGENDA

REGULAR CITY COUNCIL MEETING

MONDAY, FEBRUARY 10, 2020

6:30 P.M. – CITY HALL 101 GREEN STREET

ITEM	DESCRIPTION
20C-0045.	Call to Order by Presiding Officer
20C-0046.	Roll Call
20C-0047.	Establishment of Quorum
20C-0048.	Pledge of Allegiance
20C-0049.	Reports of Standing Committees
20C-0050.	Citizens Comments • Not to exceed 15 minutes as an agenda item • Not more than 3 minutes per speaker

PUBLIC HEARINGS

None.

LIQUOR COMMISSION

None.

CONSENT AGENDA CA20-03

ITEM	DESCRIPTION	PAGE
20C-0051.	Approval of the Minutes of the Regular City Council Meeting of January 27, 2019	3-7
20C-0052.	Acceptance of December 2019 Financial Report	--
20C-0053.	Approval of Pre-Season Pool Projects for 2020 Season	8-10

UNFINISHED BUSINESS

ITEM	DESCRIPTION	PAGE
20C-0038.	First Reading of an Ordinance Amending Chapter 120 "Motorized Vehicles for Hire" of the Galena Code of Ordinances to Establish Licensing Requirements for Transportation Network Companies (Ride Sharing Companies)	11-22

NEW BUSINESS

ITEM	DESCRIPTION	PAGE
20C-0054.	First Reading of an Ordinance Amending Chapter 111 "Alcoholic Beverages" of the Code of Ordinances to Increase the Number of Available Class A Liquor Licenses from Nine to Ten	23-24
20C-0055.	First Reading of an Ordinance Authorizing and Providing for the Issue of Not to Exceed $6,500,000 General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source), Series 2020, for the Purpose of Refunding Certain Outstanding Bonds of the City, Pledging Certain Revenues to the Payment of Said Bonds, Providing for the Imposition of Taxes to Pay the Same and Authorizing the Sale of Said Bonds to the Purchaser Thereof	25-83
20C-0056.	Discussion and Possible Action on Archery Deer Hunting Program for 2020-21	84-107
20C-0057.	Warrants	108-112
20C-0058.	Alderpersons' Comments	
20C-0059.	City Administrator's Report	
20C-0060.	Mayor's Report	
20C-0061.	Adjournment	

CALENDAR INFORMATION

BOARD/COMMITTEE	DATE	TIME	PLACE
Zoning Board of Appeals	Wed. February 12	6:30 P.M.	City Hall, 101 Green Street
City Council	Mon. February 24	6:30 P.M.	City Hall, 101 Green Street
Historic Preservation Comm.	Thurs. March 5	6:30 P.M.	City Hall, 101 Green Street

Please view the full City of Galena Calendar at www.cityofgalena.org
Posted: Thursday, February 6, 2020 at 4:00 p.m. Posted By:

STATE OF ILLINOIS)
) SS
COUNTY OF JO DAVIESS)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Galena, Jo Daviess 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 Council (the *"Corporate Authorities"*) thereof.

I do further certify that on the ____ day of February, 2020, there was published in pamphlet form, by authority of the Corporate Authorities, a true, correct and complete copy of Ordinance Number _____ of the City entitled:

> AN ORDINANCE authorizing and providing for the issuance of not to exceed $6,500,000 General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source), Series 2020, of the City of Galena, Jo Daviess County, Illinois, for the purpose of refunding certain outstanding bonds of the City, pledging certain revenues of the City to the payment of principal of and interest on said bonds, providing for the imposition of taxes to pay the same and authorizing the sale of said bonds to the purchaser thereof.

and that said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as City Clerk at City Hall, Galena, Illinois.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the City this 11th day of February, 2020.

Mary Beth Hyde
City Clerk

[SEAL]

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I do further certify that on the 11th day of February, 2020, there was published in pamphlet form, by authority of the Corporate Authorities, a true, correct and complete copy of Ordinance Number O.20.04 of the City entitled:

> AN ORDINANCE authorizing and providing for the issuance of not to exceed $6,500,000 General Obligation Refunding Bonds (Sales Tax Alternate Revenue Source), Series 2020, of the City of Galena, Jo Daviess County, Illinois, for the purpose of refunding certain outstanding bonds of the City, pledging certain revenues of the City to the payment of principal of and interest on said bonds, providing for the imposition of taxes to pay the same and authorizing the sale of said bonds to the purchaser thereof.

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[SEAL]