

## ORDINANCE NO. 40

AN ORDINANCE authorizing and providing for the issue of not to exceed \$2,500,000 General Obligation Bonds (Alternate Revenue Source), Series 2016B, of the City of Streator, LaSalle and Livingston Counties, Illinois, for the purpose of paying the costs of eligible redevelopment projects within the City's Northpoint TIF District Redevelopment Project Area, providing for the pledge of certain TIF revenues to the payment of principal and interest on the bonds and the levy of a direct annual tax to pay such principal and interest if the pledged revenues are insufficient to make such payment, and authorizing the sale of said bonds to Robert W. Baird & Co. Incorporated.

\* \* \*

WHEREAS, the City of Streator, LaSalle and Livingston Counties, Illinois (the "*City*"), is a duly organized and existing municipality and unit of local government created under the provisions of the laws of the State of Illinois, is now operating under the provisions of the Illinois Municipal Code (the "*Municipal Code*"), and all laws amendatory thereof or supplementary thereto, including the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"); and

WHEREAS, the City Council of the City (the "*Council*") does hereby determine that it is advisable, necessary and in the best interests of the City and its residents, in order to promote the public health, welfare, safety and convenience, to undertake a redevelopment plan (the "*Plan*") and project (the "*Project*") in order to assure the redevelopment of the Northpoint Tax Increment Financing District (the "*Project Area*" or the "*District*") by paying the costs of eligible redevelopment projects within the District (said portion of the Project being, collectively, the "*Redevelopment Project*"), all as set forth in the Plan and the related redevelopment agreement between the City and Northpoint Development Holdings LLC (the "*Redevelopment Agreement*"), at an estimated cost, including expenses and contingencies, of not more than \$2,500,000, plus investment earnings thereon, for which there are no funds of the City on hand and lawfully

available for the purpose, and the not to exceed \$2,500,000 will need to be obtained through the borrowing of money and the issuance of bonds, pursuant to and in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, as amended (the "*TIF Act*"), the Municipal Code and the Debt Reform Act; and

WHEREAS, the Redevelopment Project constitutes a lawful corporate purpose within the meaning of the Debt Reform Act; and

WHEREAS, the Redevelopment Project is also expected to create employment opportunities and retain commercial businesses within the City; and

WHEREAS, on the 13th day of September, 2016, the Council adopted an ordinance (the "*Authorizing Ordinance*") authorizing the issuance of alternate bonds (the "*Bonds*"), being general obligation bonds payable from (a) collections distributed to the City from those incremental property taxes derived from the District and the City's TIF I and TIF II Districts (the "*Pledged Revenues*") and (b) ad valorem taxes levied against all of the taxable property in the City without limitation as to rate or amount (the "*Pledged Taxes*"), pursuant to and in accordance with the provisions of the Debt Reform Act, in an amount not to exceed \$2,500,000; and

WHEREAS, on the 17th day of September, 2016, the Authorizing Ordinance, together with a notice in the statutory form (the "*Notice*"), was published in *The Times*, the same being a newspaper of general circulation in the City, and an affidavit evidencing the publication of the Authorizing Ordinance and the Notice have heretofore been presented to the Council and made a part of the permanent records of the Council; and

WHEREAS, more than thirty (30) days have expired since the date of publication of the Authorizing Ordinance and the Notice, and no petition with the requisite number of valid signatures thereon has been filed with the City Clerk requesting that the question of the issuance of the Bonds be submitted to referendum; and

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WHEREAS, the Council is now authorized to issue the Bonds to the amount of \$2,500,000 pursuant to and in accordance with the provisions of the Debt Reform Act, and the Council hereby determines that it is advisable, necessary and in the best interests of the City and its residents that there be issued \$2,500,000 of the Bonds so authorized; and

WHEREAS, the Pledged Revenues, including the Incremental Property Taxes, have not been pledged or hypothecated in whole or in part in any manner or for any purpose, other than for the payment of principal of and interest on the Bonds pursuant to and in accordance with the provisions of the Redevelopment Agreement, the Authorizing Ordinance and this Ordinance; and

WHEREAS, the Council hereby further determines that the Pledged Revenues will provide in each year an amount not less than 1.25 times debt service of the Bonds; and

WHEREAS, such determination is supported by the most recent audit of the City (the "*Audit*"), which Audit is for a fiscal year ending not earlier than 18 months previous to the time of issuance of the Bonds has been presented to the Council and is now on file with the City Clerk of the City (the "*City Clerk*"); and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, the Mayor of the City (the "*Mayor*") on the 8th day of September, 2016, executed an Order calling a public hearing (the "*Hearing*") for the 11th day of October, 2016, concerning the intent of the Council to sell the Bonds; and

WHEREAS, notice of the Hearing was given by (i) publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in *The Times*, and (ii) posting at least 96 hours before the Hearing a copy of said notice at the principal corporate trust office of the Council, which notice was continuously available for public review during the entire 96-hour period preceding the Hearing; and

WHEREAS, the Hearing was held on the 11th day of October, 2016, and at the Hearing the Council explained the reasons for the proposed issuance of the Bonds and permitted persons

desiring to be heard on opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 11th day of October, 2016, and not less than seven (7) days have passed since the final adjournment of the Hearing:

NOW, THEREFORE, Be It Ordained by the City Council of the City of Streator, LaSalle and Livingston Counties, Illinois, as follows:

*Section 1. Definitions.* Words and terms used in this Ordinance shall have the following meanings unless the context or use clearly indicates another or different meaning is intended.

The following words and terms are defined as set forth:

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

*“Alternate Bonds”* means any outstanding bonds issued as alternate bonds under and pursuant to the provisions of the Debt Reform Act, and includes, expressly, the Bonds.

*“Bond Registrar”* means UMB Bank, N.A., St. Louis, Missouri, or successor designated hereunder, in its respective capacities as bond registrar and paying agent.

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

*“County Clerks”* means the County Clerks of The Counties of LaSalle and Livingston, Illinois.

*“Fiscal Year”* means that twelve-calendar month period beginning on January 1 of the calendar year and ending on the next succeeding December 31.

*“Incremental Property Taxes”* means the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Project Area and in TIF I and TIF II by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area and in TIF I and TIF II, which taxes are attributable to the increase in the then current equalized assessed

valuation of each taxable lot, block, tract or parcel of real property in the Project Area and in TIF I and TIF II over and above the "total initial equalized assessed value" of each such piece of property, all as determined by the County Clerk in accord with Section 11-74.4-9 of the TIF Act.

*"Outstanding"* or *"outstanding"* when used with reference to the Bonds and Additional Bonds means such of those bonds which are outstanding and unpaid; *provided, however*, such term shall not include the 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 and interest on such Bonds or Additional Bonds.

*"Qualified Investments"* means investments as are authorized for the City under Illinois law.

*"Special Tax Allocation Fund"* means the City's Tax Increment Financing Fund, heretofore established by the City, and expressly continued hereunder.

*"TIF I"* means the City's TIF District I Redevelopment Project Area established in 1995.

*"TIF II"* means the City's TIF District II Redevelopment Project Area established in 2006 (as amended in 2008).

*"Treasurer"* means the Treasurer of the City.

*Section 2. Incorporation of Preambles; Acceptance of Audit; Determination of Public Purpose.* The Council hereby find that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference. The Audit has been and is hereby accepted by the Council. The Council hereby

determine the Project to be a proper corporate and public purpose as heretofore approved in the redevelopment plan and project for the Project Area and further expressly hereby determines that the costs of the Redevelopment Project are "redevelopment project costs" as defined in the TIF Act and that said costs have heretofore been approved by the Council as part of the Plan.

*Section 3. Authorization.* It is hereby found and determined that the City has been authorized by law to borrow an amount not to exceed \$2,500,000 upon the credit of the City and as evidence of such indebtedness to issue the Bonds to said amount, the proceeds of Bonds to be used for the purpose of paying the cost of the Project, and it is necessary and for the best interests of the City that there be issued at this time not to exceed \$2,500,000 of the Bonds so authorized.

*Section 4. Bond Details.* There be borrowed by for and on behalf of the City an amount not to exceed \$2,500,000 for the purposes aforesaid, and that the Bonds shall be issued to said amount and shall be designated "General Obligation Bonds (Alternate Revenue Source), Series 2016B," or with such other series designation as shall be appropriate and set forth in the Bond Notification (as hereinafter defined). The Bonds shall be dated such date (not prior to November 29, 2016, and not later than May 15, 2017) as set forth in the Bond Notification, 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 provided 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 on December 1 of each of the years (not later than 2030), in the amounts (not exceeding \$270,000 per year) and bearing interest at the rates (not exceeding 7.00% 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 1 and December 1 of each year thereafter to maturity.

Interest on each Bond shall be paid by check or draft of UMB Bank, N.A., St. Louis, Missouri, as bond registrar and paying agent (the "*Bond Registrar*"), payable upon presentation 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 15th day of the month next preceding the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

The Bonds shall be signed by the manual or facsimile signature of the Mayor, and shall be attested by the manual or facsimile signature of the City Clerk, and 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 for the Bonds 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 the Bond Registrar 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 5. Registration of Bonds; Persons Treated as Owners. (a) General.* The City shall cause books (the "*Bond Register*") for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City. The City is authorized to prepare, and the Bond Registrar or such other authorized person as the officers of the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney 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 a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. 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 outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the 15th day of the month next preceding an interest payment date on the Bonds to the opening of business on such interest payment date, nor to transfer or



exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

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

No service charge shall be made 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, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 4 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto ("*Cede*"), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns ("*DTC*"). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. Any officer of the City who is a signatory on the Bonds is authorized to execute and deliver, on behalf of the City, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "*Representation Letter*"), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the City and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "*DTC Participant*") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC 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 the principal of or interest on the Bonds. The City and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the City to make payments of principal and interest with respect to any Bond.

Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 4 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" in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the City, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) 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 DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the City may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal 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 universal 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 of Section 4(a) hereof.

Notwithstanding any other provisions of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, 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 name provided in the Representation Letter.

*Section 6. 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 (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 (but not later than 10-1/2 years from the issuance of the Bonds), and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Notification shall be 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 1 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 7. Redemption Procedure.* Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the 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 notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) 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,

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and

(6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the City 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 shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, 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. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the

rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

*Section 8. Form of Bond.* The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs [6] through [11] shall be inserted immediately after paragraph [1]:

[Form of Bond - Front Side]

REGISTERED  
No. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTIES OF LASALLE AND LIVINGSTON

CITY OF STREATOR

**GENERAL OBLIGATION BOND (ALTERNATE REVENUE SOURCE),  
SERIES 2016B**

See Reverse Side for  
Additional Provisions

Interest \_\_\_\_\_ Maturity \_\_\_\_\_ Dated \_\_\_\_\_  
Rate: \_\_\_\_\_% Date: December 1, 20\_\_ Date: \_\_\_\_\_, 2016 CUSIP: \_\_\_\_\_

Registered Owner: CEDE & CO.

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the City of Streator, LaSalle and Livingston Counties, 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 date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on June 1 and December 1 of each year, commencing June 1, 2017, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America at the principal corporate trust office of UMB Bank, N.A., St. Louis, Missouri, as bond registrar and paying agent (the "*Bond Registrar*"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar at the close



of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar. 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.

[2] 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.

[3] 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; 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 Revenues and the Pledged Taxes 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 the Pledged Revenues and the Pledged Taxes and will comply with all the covenants of, and maintain the funds and accounts as provided by, the ordinance adopted by the City Council of the City on the 29th day of November, 2016 (the "*Bond Ordinance*").

[4] 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.

[5] IN WITNESS WHEREOF, said City of Streator, LaSalle and Livingston Counties, Illinois, by its City Council, has caused this Bond to be signed by the manual or duly authorized facsimile signature of the Mayor of the City, and to be attested by the manual or duly authorized facsimile signature of the City Clerk of the City, all as of the Dated Date identified above.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Date of Authentication: \_\_\_\_\_, 20\_\_

CERTIFICATE  
OF  
AUTHENTICATION

Bond Registrar and Paying Agent:  
UMB Bank, N.A.,  
St. Louis, Missouri

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the General Obligation Bonds (Alternate Revenue Source), Series 2016B, of the City of Streator, LaSalle and Livingston Counties, Illinois.

UMB BANK, N.A.,  
as Bond Registrar

By \_\_\_\_\_  
Authorized Officer

[Form of Bond - Reverse Side]

**CITY OF STREATOR**

**LASALLE AND LIVINGSTON COUNTIES, ILLINOIS**

**GENERAL OBLIGATION BOND (ALTERNATE REVENUE SOURCE),  
SERIES 2016B**

[6] This Bond is one of a series of bonds issued by the City pursuant to the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"), and the Illinois Municipal Code, as amended (the "*Municipal Code*"), for the purpose of paying eligible redevelopment projects within the Northpoint Tax Increment Financing District (the "*District*"), and is authorized by the Bond Ordinance, duly and properly adopted for that purpose, in all respects as provided by law.

[7] The Bonds are payable from (a) collections distributed to the City from those incremental property taxes derived from the District and the City's TIF I and TIF II Districts (the "*Pledged Revenues*"), and (b) ad valorem taxes levied against all of the taxable property in the City without limitation as to rate or amount (the "*Pledged Taxes*"), all in accordance with the provisions of the Debt Reform Act. The City reserves the right to issue additional bonds without limit 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; *provided, however*, that no additional bonds shall be issued except in accordance with the Debt Reform Act.

[8] The Bonds are subject to optional [and mandatory] redemption as set forth in the Ordinance. Notice of any such redemption shall be given by the Bond Registrar on behalf of the City as set forth in the Ordinance.

[9] This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in St. Louis, Missouri, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[10] The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the Bond Ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

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

**(ASSIGNMENT)**

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_

\_\_\_\_\_  
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 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 9. Sale of Bonds.* The Mayor, the City Manager and the Chief Financial Officer of the City (the "*Designated Representatives*") are hereby authorized to proceed not later than the date of the reorganizational meeting of the Council following the April 4, 2017, consolidated election, without any further authorization or direction from the Council, to sell the Bonds 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 Treasurer, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to the purchaser thereof, namely, Robert W. Baird & Co. Incorporated, Naperville, Illinois (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being not less than 98% of the principal amount of the Bonds.

Prior to the sale of the Bonds, the Mayor, the City Manager or the Chief Financial Officer of the City 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, the Designated Representatives 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 Council at the next regular meeting thereof; but such action shall be for information purposes only, and the Council 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 Representatives, the Mayor, City Clerk and 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, the contract for the sale of the Bonds between the City and the Purchaser (the "*Purchase Contract*"). Prior to the execution and delivery of the Purchase Contract, the Designated Representatives shall find and determine that no person holding any office of the City, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (collectively, the "*Offering Documents*") is hereby ratified, approved and authorized; and the officers of the City are hereby authorized to take any action as

may be required on the part of the City to consummate the transactions contemplated by the Purchase Contract, this Ordinance, the Offering Documents and the Bonds.

*Section 10. Treatment of Bonds as Debt.* The Bonds shall be payable from the Pledged Revenues and the Pledged Taxes and do not and shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall be 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 Debt Reform Act.

*Section 11. Special Tax Allocation Fund.* The Special Tax Allocation Fund is hereby created or continued as a special fund of the City, to be held by the City, which fund shall be held separate and apart from all other funds and accounts of the City. All of the Incremental Property Taxes shall be set aside as collected and be remitted by the Treasurer for deposit in the Special Tax Allocation Fund, which is a trust fund heretofore established and hereby continued for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance.

Not more than ten days prior to each payment date on the Bonds, the Treasurer shall conduct an accounting (an "*Accounting*") to determine the balance of the moneys on deposit in and to the credit of the Special Tax Allocation Fund. Prior to each payment date on the Bonds, the Treasurer shall credit to and transfer into the Pledged Revenues Account of the Bond Fund (as hereinafter defined) moneys on deposit in and to the credit of the Special Tax Allocation Fund in an amount equal to the principal and interest due on the Bonds on such payment date (the "*Principal and Interest Requirement*"). If, upon any Accounting, there are funds on deposit in

and to the credit of the Special Tax Allocation Fund in excess of the principal and interest due on the Bonds on the next two succeeding payment dates on the Bonds, the Treasurer shall credit such excess funds to a surplus account of the Special Tax Allocation Fund (the "*Surplus Account*"), hereby created. Moneys on deposit in and to the credit of the Surplus Account shall be used for one or more of the following purposes, without any priority among them:

- (i) for the payment of principal of and interest on the Bonds; or
- (ii) for the purpose of paying costs of the Project; or
- (iii) for the purpose of redeeming Bonds; or
- (iv) for the purpose of purchasing Bonds at a price not in excess of par plus accrued interest to the purchase date; or
- (v) for the purpose of refunding, advance refunding or prepaying any Bond; or
- (vi) for the purpose of creating such reserves as may be deemed necessary by the Council, it being the express intent of the Council to reserve the right to establish such reserves in order to assure that the Pledged Taxes may be abated in each tax year while any Bonds remain Outstanding; or
- (vii) for the purpose of reimbursing the City for any transfer of general corporate funds of the City for purposes relating to the Plan, the Project Area or the Redevelopment Project, including, but not limited to, funds disbursed for the payment of redevelopment project costs incurred by the City or advanced to abate the Pledged Taxes, whether or not such reimbursement occurs in the relevant tax year for which such advance was made; or
- (viii) for the purpose of distributing Incremental Property Taxes to the taxing districts or municipal corporations having the power to tax real property in the Project Area or to the City pursuant to any redevelopment agreement; or
- (ix) for the purpose of paying principal of, or premium, if any, or interest on any obligation of the City issued to pay redevelopment project costs for the Project Area, whether or not secured by a pledge of the monies to the credit of the Special Tax Allocation Fund; or
- (x) for any other purpose related to the Plan, the Project, the Project Area or the Redevelopment Project, pursuant to and in accordance with the TIF Act.



*Section 12. Investments.* The moneys on deposit in the Special Tax Allocation Fund, Bond Fund and Project Fund (as hereinafter defined) may be invested from time to time in Qualified Investments. Any such investments may be sold from time to time as moneys may be needed for the purposes for which such funds were created. All investment earnings shall be attributed to the fund or account for which the investment was made.

*Section 13. Bond Fund.* There is hereby established a special fund of the City known as the "Alternate Bond and Interest Fund of 2016" (the "*Bond Fund*"). The Bond Fund is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance. The Bonds are secured by a pledge of all of the moneys on deposit in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the City under this Ordinance are discharged.

*Section 14. Alternate Revenue Source; Appropriation; Tax Levy; Pledged Taxes.* For the purpose of providing funds to pay the principal of and interest on the Bonds, the City covenants and agrees with the purchasers and the owners of the Bonds that so long as any Bonds are outstanding and unpaid, either as to principal or interest, the City will deposit the Pledged Revenues into the Bond Fund in the manner set forth in Section 11 of this Ordinance and this Section. All payments with respect to the Bonds shall be made directly from the Bond Fund. There are hereby created two accounts in the Bond Fund, designated as the "Pledged Revenues Account" and as the "Pledged Taxes Account." All Pledged Taxes shall be deposited to the credit of the Pledged Taxes Account. Pledged Taxes on deposit to the credit of the Pledged Taxes Account shall be fully spent to pay the principal of and interest on the respective Bonds for which such taxes were levied and collected prior to use of any moneys on deposit in the Pledged Revenues Account. On each payment date on the Bonds, the City shall deposit into the Pledged Revenues Account an amount of Incremental Property Taxes equal to the Principal and Interest Requirement

Pledged Revenues Account an amount of Incremental Property Taxes equal to the Principal and Interest Requirement on such payment date less the amount of funds on deposit in and to the credit of the Pledged Revenues Account.

The Pledged Revenues are hereby pledged to the payment of the Bonds and the City covenants and agrees to provide for, appropriate, collect and apply the Pledged Revenues to the payment of the Bonds and the provision of not less than an additional .25 times debt service.

For the purpose of providing additional funds to pay the principal of and interest on the Bonds, 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 the following direct annual taxes (the "*Pledged Taxes*" as heretofore defined):

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2016	\$270,000	for principal and interest up to and including June 1, 2018
2015	\$270,000	for principal and interest
2016	\$270,000	for principal and interest
2017	\$270,000	for principal and interest
2018	\$270,000	for principal and interest
2019	\$270,000	for principal and interest
2020	\$270,000	for principal and interest
2021	\$270,000	for principal and interest
2022	\$270,000	for principal and interest
2023	\$270,000	for principal and interest
2024	\$270,000	for principal and interest
2025	\$270,000	for principal and interest
2026	\$270,000	for principal and interest
2027	\$270,000	for principal and interest
2028	\$270,000	for principal and interest
2029	\$270,000	for principal and interest

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

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.

Subject to the provisions of Section of this Ordinance, the City covenants and agrees with the purchasers and the owners of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to collect the Pledged Revenues or to levy and collect the Pledged Taxes. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and that the Pledged Taxes will be levied, extended and collected as provided herein and deposited in the Bond Fund.

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 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 Clerks, in a timely manner to effect such abatement.

*Section 15. Filing of Ordinance; Bond Fund.* After this Ordinance becomes effective, a copy hereof, certified by the City Clerk, shall be filed with the County Clerks. The County Clerks 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; and the County Clerks 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 the County Clerks, or other appropriate officer or designee, shall remit the Pledged Taxes for deposit to the Bond Fund, 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.

*Section 16. Abatement of Pledged Taxes.* As provided in the Debt Reform Act, whenever the Pledged Revenues shall have been determined by the Council to provide in any calendar year an amount not less than 1.25 times debt service of all Outstanding Bonds in the next succeeding bond year (December 1 and June 1 of the following year), and the Pledged Revenues have been deposited into the Bond Fund in an amount sufficient to pay 1.00 times debt service of the Outstanding Bonds in the next succeeding bond year, the Treasurer shall, prior to the time the Pledged Taxes levied in such calendar year are extended, direct the abatement of the Pledged Taxes, and proper notification of such abatement shall be filed with the County Clerks in a timely manner to effect such abatement.

*Section 17. General Covenants.* So long as any Bonds remain Outstanding, that the City covenants and agrees with the holders of the Bonds that:

A. The City will punctually pay or cause to be paid 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.

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

C. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues or Pledged Taxes, the Special Tax Allocation Fund and the Bond Fund.

D. 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.

E. 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.

F. The City will continue to deposit the Pledged Revenues and, if applicable, the Pledged Taxes to the Bond Fund.

G. The City will take no action or fail to take any action which in any way would adversely affect the ability of the City (i) to allocate or collect the Pledged Revenues, (ii) to levy the Pledged Taxes or (iii) to collect and to segregate the Pledged Revenues and Pledged Taxes. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues can be allocated and collected, 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 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, both from the Pledged Revenues, as herein provided, and from the levy of the Pledged Taxes, all as provided in the Debt Reform Act.

*Section 18. Covenants Pertaining to the Project Area.* So long as any Bonds remain Outstanding, the City covenants and agrees with the holders of the Bonds that:

(a) 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 Redevelopment Project and the Incremental Property Taxes. Such books of record and accounts shall at all times during business hours be subject to the inspection of the holders of not less than ten per cent (10%) of the aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

(b) The City will timely prepare or cause the preparation of complete financial statements with respect to the preceding Fiscal Year showing the Incremental Property Taxes received, all disbursements from the funds and accounts created by this Ordinance and the financial condition of the Redevelopment Project, including the balances in all funds and accounts relating to the Bonds and the Redevelopment Project as of the end of such Fiscal Year, all when and as required by the TIF Act, which statements shall be accompanied by a certificate or opinion in writing of an Independent certified public accountant. The City will furnish a copy of such statements to any registered owner of ten

percent (10%) or more in aggregate principal amount of Outstanding Bonds, upon written request of such owner.

(c) The City will continue to implement the Redevelopment Project with all practicable dispatch in accord with its stated objectives and purposes in conformity with the Plan and the TIF Act.

*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; *provided, however*, that no Additional Bonds shall be issued except upon compliance with the provisions of the Debt Reform Act as the Debt Reform Act is written at this time.

*Section 20. Use of Proceeds.* Accrued interest received on delivery of the Bonds shall be credited to the Bond Fund and applied to pay first interest due on the Bonds. Proceeds received from the sale of the Bonds shall be set aside in a separate fund hereby created and designated as the "Northpoint TIF District Project Fund (Series 2016B)" (the "*Project Fund*") to be held by the Treasurer in a separate and segregated account. Moneys in the Project Fund shall be withdrawn from time to time as needed for the payment of costs of issuance of the Bonds, the Redevelopment Project and paying the fees and expenses incidental thereto and said moneys shall be disbursed by the Treasurer in accordance with normal and customary City disbursement procedures.

*Section 21. General Arbitrage Covenants.* The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service (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 Treasurer of the City, to make such further covenants and certifications 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 22. Registered Form.* The City recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order to be and remain tax-exempt. In this connection, the City agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

*Section 23. Qualified Tax-exempt Obligations.* The City recognizes the provisions of Section 265(b)(3) of the Code which provide that a “qualified tax-exempt obligation” as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The City hereby designates each of such Bonds as may be from time to time outstanding for purposes of Section 265(b)(3) of the Code as a “qualified tax-exempt obligation” as provided therein.

*Section 24. List of Bondholders.* The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

*Section 25. Duties of Bond Registrar.* If requested by the Bond Registrar, the Mayor and City Clerk are authorized to execute the Bond Registrar’s standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential;
- (c) to give notice 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, Bonds outstanding and payments made with respect to interest on the Bonds.

*Section 26. Provisions a Contract.* The provisions of this Ordinance shall constitute a contract between the City and the owners of the outstanding Bonds. All covenants relating to the Bonds and the conditions and obligations imposed by Section 15 of the Debt Reform Act are



enforceable by any holder of the Bonds affected, any taxpayer of the City and the People of the State of Illinois acting through the Attorney General or any designee.

*Section 27. Continuing Disclosure Undertaking.* The Mayor or the Treasurer is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*") in connection with the issuance of the Bonds, with such provisions therein as he or she shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of such provisions. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered 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 the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the 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 the City to comply with its obligations under the Continuing Disclosure Undertaking.

*Section 28. Defeasance.* Bonds which are no longer Outstanding Bonds shall cease to have any lien on or right to receive or be paid from the Pledged Revenues, and shall no longer have the benefits of any covenant for the registered owners of Outstanding Bonds as such relates to the lien on and security for the Bonds in the Pledged Revenues.

*Section 29. Municipal Bond Insurance.* In the event the payment of principal and interest on the Bonds is insured pursuant to a municipal bond insurance policy (the "*Municipal Bond Insurance Policy*") issued by a bond insurer (the "*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 Bonds, amendment hereof, or other terms, as approved by the Mayor 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 30. Record-Keeping Policy and Post-Issuance Compliance Matters.* On November 10, 2015, the Council adopted a record-keeping policy (the “*Policy*”) in order to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the 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. The Council and the City hereby reaffirm the Policy.

*Section 31. Severability.* If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

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*Section 32. Repeal.* All ordinances, ordinances or parts thereof in conflict herewith be and the same are hereby repealed and this Ordinance shall be in full force and effect forthwith upon its adoption.

Adopted November 29, 2016.

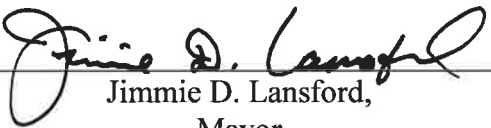
AYES: Tara Bedei, Ed Brozak, Brian Crouch, William Phelan and Mayor Jimmie D.

Lansford

NAYS: None

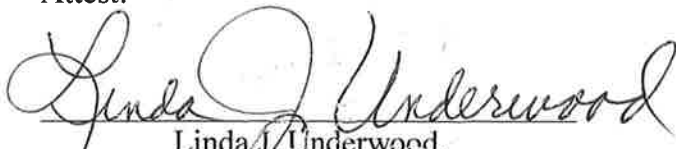
ABSENT: None

Approved November 29, 2016.

  
Jimmie D. Lansford,  
Mayor

Recorded in the City Records on November 29, 2016.

Attest:

  
Linda J. Underwood,  
City Clerk

STATE OF ILLINOIS       )  
  ) SS  
COUNTY OF LASALLE    )

### **CERTIFICATION OF MINUTES**

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Streator, LaSalle and Livingston Counties, Illinois (the "*City*"), and as such official am one of the keepers of the records and files of the City Council of the City (the "*Council*").

I further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Council held on the 29th day of November, 2016, insofar as the same relates to the adoption of Ordinance No.40 entitled:

AN ORDINANCE authorizing and providing for the issue of not to exceed \$2,500,000 General Obligation Bonds (Alternate Revenue Source), Series 2016B, of the City of Streator, LaSalle and Livingston Counties, Illinois, for the purpose of paying the costs of eligible redevelopment projects within the City's Northpoint TIF District Redevelopment Project Area, providing for the pledge of certain TIF revenues to the payment of principal and interest on the bonds and the levy of a direct annual tax to pay such principal and interest if the pledged revenues are insufficient to make such payment, and authorizing the sale of said bonds to Robert W. Baird & Co. Incorporated.

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 Council on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was called and 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, that an agenda for said meeting was posted at the location where said meeting was held and at the principal corporate trust office of the Council at least 48 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 48-hour period preceding said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code, as amended, and that the Council has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Council.

City Council Member **Bedei** moved and City Council Member **Brozak** seconded the motion that said ordinance as presented be adopted.

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

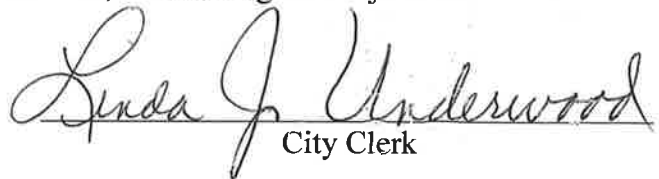
Upon roll call, the following City Council Members voted AYE: **Bedei, Brozak, Crouch, Phelan and Mayor Lansford**

and NAY: **None.**

Whereupon the Mayor declared the motion carried and said ordinance adopted, approved and signed the same in open meeting and directed that the same be recorded in full in the records of the Council of the City of Streator, LaSalle and Livingston Counties, Illinois, which was done.

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

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

  
City Clerk

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of said City, this 29th day of November, 2016.

  
City Clerk

[SEAL]

STATE OF ILLINOIS       )  
                                      ) SS  
COUNTY OF LASALLE    )

**NOTIFICATION OF SALE OF  
GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2016B**

To:     City Council of the City of Streator, LaSalle and Livingston Counties, Illinois

        Please be advised that responsive to authority contained in an ordinance adopted by the City Council (the "*Council*") of the City of Streator, LaSalle and Livingston Counties, Illinois (the "*City*"), on the 29th day of November, 2016, and being entitled:

AN ORDINANCE authorizing and providing for the issue of not to exceed \$2,500,000 General Obligation Bonds (Alternate Revenue Source), Series 2016B, of the City of Streator, LaSalle and Livingston Counties, Illinois, for the purpose of paying the costs of eligible redevelopment projects within the City's Northpoint TIF District Redevelopment Project Area, providing for the pledge of certain TIF revenues to the payment of principal and interest on the bonds and the levy of a direct annual tax to pay such principal and interest if the pledged revenues are insufficient to make such payment, and authorizing the sale of said bonds to Robert W. Baird & Co. Incorporated.

(the "*Bond Ordinance*"), a contract for the purchase of \$2,340,000 General Obligation Bonds (Alternate Revenue Source), Series 2016B (the "*Bonds*"), of the City was awarded by the undersigned Mayor and City Manager of the City, as the "Designated Representatives" of the City under the Bond Ordinance, on the date hereof to the purchaser thereof, namely, Robert W. Baird & Co. Incorporated, Naperville, Illinois, at a price of \$2,350,703.96, the same being not less than 98% of the principal amount of the Bonds.

        The Bonds shall be dated December 29, 2016, and shall become due and payable serially (subject to prior redemption as hereinafter stated) on December 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT (\$)	INTEREST RATE (%)
2017	145,000	2.00
2018	140,000	3.00
2019	145,000	3.00
2020	150,000	3.00
2021	150,000	3.00
2022	155,000	3.00
2023	160,000	3.50
2024	165,000	3.00
2025	170,000	3.00
2026	175,000	4.00
2028	375,000	4.00
2030	410,000	4.00

The first interest payment date on the Bonds shall be June 1, 2017.

The Bonds due on December 1, 2028, shall be subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar (as defined in the Bond Ordinance), at a redemption price of par plus accrued interest to the redemption date, on December 1, 2027, in the principal amount of \$185,000.

The Bonds due on December 1, 2030, shall be 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 1, 2029, in the principal amount of \$200,000.

The Bonds due on and after December 1, 2028, shall be subject to redemption prior to maturity at the option of the City as a whole, or 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 December 1, 2026, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.



The undersigned do hereby designate each of the Bonds as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(c) of the Internal Revenue Code of 1986, as amended.

Please be further advised that the undersigned do hereby 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 4.00% per annum, and that no person holding any office of the City, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the contract for the purchase and sale of the Bonds.

Please be further advised that payment of principal of and interest on the Bonds will be guaranteed under an insurance policy to be issued by Assured Guaranty Municipal Corp., New York, New York.

Please be further advised that Section 14 of the Bond Ordinance provides for a direct annual tax in and for each of the years 2016 to 2029, inclusive, to pay the interest on the Bonds promptly when and as the same falls due and to pay and discharge the principal thereof at maturity. Please be further advised that the Bonds were sold on terms resulting in a final schedule of taxes levied, to be abated and to be extended as follows:


YEAR OF LEVY	TAX LEVIED IN BOND ORDINANCE	TAX TO BE ABATED	TAX TO BE EXTENDED SUFFICIENT TO PRODUCE
2016	\$270,000	\$270,000	\$ 0.00
2017	270,000	55,850	214,150
2018	270,000	55,125	214,875
2019	270,000	54,550	215,450
2020	270,000	59,050	210,950
2021	270,000	58,625	211,375
2022	270,000	58,750	211,250
2023	270,000	59,025	210,975
2024	270,000	59,050	210,950
2025	270,000	60,100	209,900
2026	270,000	57,300	212,700
2027	270,000	59,800	210,200
2028	270,000	57,600	212,400
2029	270,000	55,800	214,200

It is hereby found and determined that all of the provisions of the Bond Ordinance related to this Bond Notification have been fully and completely satisfied in all respects whatsoever.

Finally please be advised that this Bond Notification shall be entered into the records of the City and made available to all members of the Council at the next regular meeting thereof.

Respectfully submitted this 13th day of December, 2016.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
City Manager

**ACKNOWLEDGMENT OF FILING**

Filed in the office of the City Clerk of the City of Streator, LaSalle and Livingston Counties, Illinois, this 13th day of December, 2016.

  
\_\_\_\_\_  
City Clerk

EXTRACT OF MINUTES of a special public meeting of the City Council of the City of Streator, LaSalle and Livingston Counties, Illinois, held at City Hall, 204 South Bloomington Street, Streator, Illinois, at 7:00 p.m., on the 29th day of November, 2016.

\* \* \*

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

Upon the roll being called, the following City Council Members were physically present at said location: **Tara Bedei, Ed Brozak, Brian Crouch, William Phelan and Mayor Jimmie**

**D. Lansford**

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

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No City Council Member was not permitted to attend the meeting by video or audio conference.

The following City Council Members were absent and did not participate in the meeting in any manner or to any extent whatsoever: **None**

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The Mayor announced that the next item for consideration was the issuance of not to exceed \$2,500,000 General Obligation Bonds (Alternate Revenue Source), Series 2016B, to be issued by the City for the purpose of paying the costs of eligible redevelopment projects within the City's Northpoint TIF District Redevelopment Project Area, and that the City Council would consider the adoption of an ordinance providing for the issue of said bonds, the pledge of certain TIF revenues to the payment of principal and interest on such bonds and the levy of a direct annual tax to pay such principal and interest if the pledged revenues are insufficient to make such payment.

The Mayor then explained that the ordinance sets forth the parameters for the issuance of said bonds and the sale thereof by designated officials of the City to Robert W. Baird & Co. Incorporated, Naperville, Illinois, 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 City Council Member **Mayor Jimmie D. Lansford** presented the following ordinance, copies of which were made available to all in attendance at said meeting who requested a copy: