

EXTRACT OF MINUTES of a regular public meeting of the City Council of the City of Peoria, Peoria County, Illinois, held at the Council Chambers, City Hall, 419 Fulton Street, in said City, at 6:00 p.m., on the 23rd day of February, 2016.

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

Upon the roll being called, the Mayor and the following Council Members answered physically present at said location: _____

_____.

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

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

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

The Mayor announced that the next item for consideration was the issuance of not to exceed \$23,000,000 General Obligation Refunding Bonds in one or more series pursuant to the Illinois Municipal Code and the City's home rule powers for the purpose of refunding certain of the City's outstanding General Obligation Library Bonds, Series 2008A, and in connection therewith, it would be necessary for the City to enter into an escrow agreement with U.S. Bank National Association, Indianapolis, Indiana, and that the Mayor and the City Council would consider the adoption of an ordinance providing for the issue of said bonds and the levy of taxes sufficient to pay the principal of and interest thereon and authorizing the directing the execution of such escrow agreement. The Mayor then explained that the ordinance sets forth the

parameters for the issue of said bonds and sale thereof to Robert W. Baird & Co., Incorporated, Naperville, Illinois, 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, Finance Director/Comptroller Jim Scroggins presented, and the City Clerk made available to the Council Members and interested members of the public, complete copies of an ordinance entitled:

AN ORDINANCE providing for the issuance of one or more series of General Obligation Refunding Bonds, Series 2016B, of the City of Peoria, Peoria County, Illinois, in an aggregate amount not to exceed \$23,000,000 to refund certain outstanding bonds of said City, providing for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds, authorizing and directing the execution of an escrow agreement in connection with the issue of said bonds, and authorizing the sale of said bonds to the purchaser thereof.

(the "*Bond Ordinance*").

Council Member _____ then moved and Council Member _____ seconded the motion that the Bond 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 the Bond Ordinance.

Upon the roll being called, the following Council Members voted AYE: _____

_____ and the following Council Members voted NAY: _____.

WHEREUPON, the Mayor declared the motion carried and the Bond Ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the City Clerk to record the same in full in the records of the City Council of the City of Peoria, Peoria County, Illinois.

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

City Clerk

ORDINANCE NO. _____

AN ORDINANCE providing for the issuance of one or more series of General Obligation Refunding Bonds, Series 2016B, of the City of Peoria, Peoria County, Illinois, in an aggregate amount not to exceed \$23,000,000 to refund certain outstanding bonds of said City, providing for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds, authorizing and directing the execution of an escrow agreement in connection with the issue of said bonds, and authorizing the sale of said bonds to the purchaser thereof.

WHEREAS, the City of Peoria, Peoria County, Illinois (the “*City*”), has a population in excess of 25,000 as determined by the last official census, and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, the City is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt; and

WHEREAS the City has heretofore issued and there are now outstanding General Obligation Library Bonds, Series 2008A, dated August 1, 2008 (the “*Prior Bonds*”), of the City; and

WHEREAS, the City Council of the City (the “*Council*”) has heretofore determined and it hereby is advisable and necessary and in the best interests of the City that all or a portion of the Prior Bonds (the “*Refunded Bonds*”) be refunded in advance of maturity in order to accomplish debt service savings for the City; and

WHEREAS, the Refunded Bonds shall be fully described in the Escrow Agreement referred to in Section 13 hereof and are presently outstanding and unpaid and are binding and subsisting legal obligations of the City; and

WHEREAS, the Council does hereby determine that it is advisable and in the best interests of the City to borrow an amount not to exceed \$23,000,000 pursuant to the hereinafter-defined

Act for the purpose of refunding the Refunded Bonds and, in evidence of such borrowing to issue bonds in a principal amount not to exceed \$23,000,000; and

WHEREAS, in accordance with the terms of the Refunded Bonds, the Refunded Bonds may be called for redemption in advance of their maturity, and it is necessary and desirable to make such call for the 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 Peoria, Peoria County, Illinois, in the exercise of its home rule powers, as follows:

Section 1. Incorporation of Preambles. The Council hereby finds that all of the recitals contained in the preambles to this Ordinance are true, correct and complete and does incorporate them into this Ordinance by this reference.

Section 2. Authorization. It is hereby found and determined that pursuant to the provisions of the Illinois Municipal Code, as supplemented and amended, and the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970 (in the event of conflict between the provisions of said code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said code) (the "Act"), the Council has been authorized by law to borrow an amount not to exceed \$23,000,000 upon the credit of the City and as evidence of such indebtedness to issue bonds of the City to said amount, the proceeds of said bonds to be used to refund the Refunded Bonds, and that it is necessary and for the best interests of the City that there be issued an amount not to exceed \$23,000,000 of the bonds so authorized, and these findings and determinations, together with those set forth in the preambles to this Ordinance, shall be deemed conclusive.

Section 3. Bond Details. There be borrowed by for and on behalf of the City an amount not to exceed \$23,000,000 for the purpose aforesaid, and that bonds of the City shall be

issued to said amount and shall be designated “General Obligation Refunding Bonds, Series 2016B” (the “*Bonds*”). The Bonds shall be dated such date (not prior to March 1, 2016, and not later than the date of issuance thereof) 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 (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 (without option of prior redemption) on January 1 of each of the years (not earlier than 2017 and not later than 2028), bearing interest at the rates per annum (not exceeding 5.0% per annum) and in the amounts all 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 January 1 and July 1 of each year thereafter to maturity.

Interest on each Bond shall be paid by check or draft of the Comptroller of the City, 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 office of the Bond Registrar.

Section 4. Execution; Authentication. The Bonds shall be executed on behalf of the City by the manual or facsimile signature of its Mayor and attested by the manual or facsimile

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

Section 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 office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City for the Bonds. The City is authorized to prepare, and the Bond Registrar or such other agent as the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds. Subject to the provisions of this Ordinance relating to the Bonds in book-entry form, 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 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 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 beginning at the close of business on the 15th day of the month next preceding the any interest payment date on such Bond and ending at 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 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 series and maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such series and maturity less the amount of such Bonds which have been paid. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made to any registered owner of Bonds for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, 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 3 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, along with the City’s Finance Director, 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 3 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 5(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 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 (but not later than January 1, 2026), and on any date thereafter, at the redemption prices (expressed as a percentage of the principal amount redeemed and not to exceed 103%) 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 January 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 series and 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 series and 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 series and 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 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, as appropriate, 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 PEORIA
CITY OF PEORIA
GENERAL OBLIGATION REFUNDING BOND, SERIES 2016B**

See Reverse Side for
Additional Provisions.

Interest Maturity Dated
Rate: _____% Date: January 1, 20__ Date: _____, 2016 CUSIP: 713176_____

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the City of Peoria, Peoria County, Illinois, a municipality and unit of local government created under the provisions of the laws 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 (subject to option of prior redemption), 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 on January 1 and July 1 of each year, commencing July 1, 2016, until said Principal Amount is paid or duly provided for. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the office of the Comptroller of the City, in Peoria, Illinois, as bond registrar and paying agent (the “Bond Registrar”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the

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

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

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

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

IN WITNESS WHEREOF, the City of Peoria, Peoria County, Illinois, by its City Council, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

SPECIMEN

Mayor, City of Peoria
Peoria County, Illinois

ATTEST:

SPECIMEN

City Clerk, City of Peoria
Peoria County, Illinois

[SEAL]

Date of Authentication: _____, 2016

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar and Paying Agent:
City Comptroller, City of Peoria,
Peoria County, Illinois

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the General Obligation Refunding Bonds, Series 2016B, of the City of Peoria, Peoria County, Illinois.

By _____
City Comptroller

[FORM OF BOND - REVERSE SIDE]

**CITY OF PEORIA
PEORIA COUNTY, ILLINOIS
GENERAL OBLIGATION REFUNDING BOND, SERIES 2016B**

This Bond is one of a series of bonds (the “*Bonds*”) issued by the City for the purpose of refunding certain outstanding bonds of the City, all as described and defined in the Ordinance of the City, adopted by the City Council of the City on the 23rd day of February, 2016, authorizing the Bonds (the “*Ordinance*”), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as supplemented and amended, and as further supplemented and, where necessary, superseded, by the powers of the City as a home rule unit under the provisions of Section 6 of Article VII of the Illinois Constitution of 1970 (such code and powers being the “*Act*”), and with the Ordinance, which has been duly passed by the City Council, approved by the Mayor, and published, in all respects as by law required.

[Optional and Mandatory Redemption provisions, as applicable, will be inserted here].

Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the office of the Bond Registrar in Peoria, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the 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.

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 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 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 the any interest payment date on such Bond and ending at 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 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, assign, and transfers unto

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

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

Dated: _____

Signature guaranteed: _____

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

Section 9. Sale of Bonds. Any two of the Designated Representatives (as hereinafter defined), one of whom shall be an elected official, are hereby authorized to proceed not later than August 23, 2016, 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 City Treasurer. After authentication of the Bonds by the Bond Registrar, the City Treasurer shall deliver to Robert W. Baird & Co., Incorporated, Naperville, Illinois, as purchaser of the Bonds (the "*Purchaser*"), the Bonds upon receipt of the purchase price therefor, the same being not less than 98% of the principal amount of the Bonds plus accrued interest, if any, to date of delivery, it being hereby found and determined that the

sale of the Bonds to the Purchaser is in the best interests of the City and that no person holding any office of the City, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the sale of the Bonds to the Purchaser. “*Designated Representatives*” means the Mayor, the City Clerk, the City Treasurer, the Finance Director/City Comptroller and the City Manager.

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, 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 and that the net present value debt service savings to the City as a result of the issuance of the Bonds and the refunding of the Refunded Bonds is not less than 4.5% of the principal amount of the Refunded Bonds. 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, Finance Director/City Comptroller 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, a contract 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 10. Tax Levy. In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the City 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 that there be and there is hereby levied upon all of the taxable property in the City, the following direct annual tax for the Bonds, to-wit:

FOR THE YEAR

A TAX SUFFICIENT TO PRODUCE THE SUM OF:

2016	\$2,405,750.00	for interest and principal up to and including January 1, 2018
2017	\$2,434,000.00	for interest and principal
2018	\$2,472,500.00	for interest and principal
2019	\$2,505,500.00	for interest and principal
2020	\$2,548,000.00	for interest and principal
2021	\$2,589,250.00	for interest and principal
2022	\$2,634,000.00	for interest and principal
2023	\$2,676,750.00	for interest and principal
2024	\$2,722,250.00	for interest and principal
2025	\$2,770,000.00	for interest and principal
2026	\$2,824,500.00	for interest and principal

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the City, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected. Principal and interest on the Bonds payable through and including January 1, 2017, is expected to be payable from funds collected from the levy of taxes to pay the Refunded Bonds and no taxes will be levied to pay the same; *provided, however*, all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount.

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 of The County of Peoria, Illinois (the “*County Clerk*”) in a timely manner to effect such abatement.

Section 11. Filing of Ordinance and Certificate of Reduction of Taxes. Forthwith upon the passage of this Ordinance, the City Clerk is hereby directed to file a certified copy of this Ordinance with the County Clerk, and it shall be the duty of the County Clerk to annually in and for each of the years 2016 to 20__, inclusive, ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the City in connection with other taxes levied in each of said years for general municipal purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general municipal purposes of the City, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated “Bond and Interest Fund Account of 2016” (the “*Bond Fund*”), which taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the 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 for the years 2016 to 20__, inclusive, to pay the Refunded Bonds.

Section 12. 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 year 2015 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 13 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 13. Use of Bond Proceeds. Accrued interest, if any, received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund.

Simultaneously with the delivery of the Bonds, the principal proceeds of the Bonds, together with any premium received from the sale of the Bonds and such additional amounts as may be necessary from the general funds of the City, are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of refunding the Refunded Bonds, and that portion thereof not needed to pay such costs is hereby ordered deposited in escrow pursuant to an Escrow Agreement entered into between the City and U.S. Bank National Association, Indianapolis, Indiana, as escrow agent (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 of and interest on the Refunded Bonds upon redemption thereof.

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 U.S. Treasury Securities—State and Local Government Series (the "*Government Securities*") 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 issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser or the Escrow Agent on behalf of the City from the proceeds of the Bonds.

In accordance with the redemption provisions of the ordinance 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 14. 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 15. 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 16. 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 the Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity 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 17. Continuing Disclosure Undertaking. The Mayor or City Treasurer is hereby authorized, empowered and directed to execute and deliver one or more Continuing Disclosure Undertakings (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 18. 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 upon payment of the Bonds by the Bond Insurer, amendment hereof, or other terms, as approved by the Mayor of the City 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 19. Record-Keeping Policy and Post-Issuance Compliance Matters. The Council has previously adopted a record-keeping policy (the “*Policy*”) 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 Council and the City hereby reaffirm the *Policy*.

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

ADOPTED: February 23, 2016

AYES: _____

NAYS: _____

ABSENT: _____

Approved: February 23, 2016

Mayor, City of Peoria,
Peoria County, Illinois

ATTEST:

City Clerk, City of Peoria,
Peoria County, Illinois

Recorded in the City Records on February 23, 2016.

EXHIBIT A

FORM OF ESCROW AGREEMENT

Council Member _____ moved and Council Member _____
seconded the motion that said ordinance as presented be adopted.

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

Upon the roll being called, the following Council Members voted AYE: _____

_____.

NAY: _____.

Whereupon the Mayor declared the motion carried and said ordinance was adopted and
approved by the Mayor, and the Mayor directed the City Clerk to record the same in full in the
records of the City Council of the City of Peoria, Peoria County, Illinois, which was done.

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

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

City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF PEORIA)

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 Peoria, Peoria County, Illinois (the “City”), and as such official I am the keeper of the records and files of the Council thereof (the “Council”).

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Council held on the 23rd day of February, 2016, insofar as same relates to the adoption of Ordinance No. _____ entitled:

AN ORDINANCE providing for the issuance of one or more series of General Obligation Refunding Bonds, Series 2016B, of the City of Peoria, Peoria County, Illinois, in an aggregate amount not to exceed \$23,000,000 to refund certain outstanding bonds of said City, providing for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds, authorizing and directing the execution of an escrow agreement in connection with the issue of said bonds, 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 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 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 office of the Council at least 96 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 96-hour period preceding said meeting, that said agenda contained a separate specific item concerning the proposed adoption of said ordinance, a true, correct and complete copy of the agenda as so posted being attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions 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 applicable provisions of said Act and said Code and its procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the City, this
23rd day of February, 2016.

City Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF PEORIA)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Peoria, Illinois, and as such official I do further certify that on the ____ day of _____, 2016, there was filed in my office a duly certified copy of Ordinance No. _____ entitled:

AN ORDINANCE providing for the issuance of one or more series of General Obligation Refunding Bonds, Series 2016B, of the City of Peoria, Peoria County, Illinois, in an aggregate amount not to exceed \$23,000,000 to refund certain outstanding bonds of said City, providing for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds, authorizing and directing the execution of an escrow agreement in connection with the issue of said bonds, and authorizing the sale of said bonds to the purchaser thereof.

duly adopted by the City Council of the City of Peoria, Peoria County, Illinois, on the 23rd day of February, 2016, and approved by the Mayor, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this ____ day of _____, 2016.

County Clerk of The County of Peoria, Illinois

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF PEORIA)

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 Peoria, Peoria County, Illinois (the “*City*”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the City and of the City Council thereof (the “*Council*”).

I do further certify that on the ___ day of February, 2016 there was published in pamphlet form, by authority of the Council, a true, correct, and complete copy of Ordinance No. _____ of the City entitled:

AN ORDINANCE providing for the issuance of one or more series of General Obligation Refunding Bonds, Series 2016B, of the City of Peoria, Peoria County, Illinois, in an aggregate amount not to exceed \$23,000,000 to refund certain outstanding bonds of said City, providing for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds, authorizing and directing the execution of an escrow agreement in connection with the issue of said bonds, and authorizing the sale of said bonds to the purchaser thereof.

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

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the City this ___ day of February, 2016.

City Clerk

[SEAL]