

EXTRACT OF MINUTES of a regular public meeting of the City Council of the City of Peoria, Peoria County, Illinois, held at Bradley University, West Lake Hall, 810 North Tobias Lane, in said City, at 6:15 p.m., on the 26th day of August, 2014.

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 City Council then discussed a proposed current refunding for the City of a portion of its heretofore issued and now outstanding General Obligation Bonds, Series 2005A, and considered an ordinance providing for the issuance of one or more series of General Obligation Refunding Bonds of the City of Peoria, Peoria County, Illinois, authorizing the execution of an escrow agreement and a bond order and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

Thereupon, Council Member _____ presented the following ordinance:

AN ORDINANCE providing for the issuance of one or more series of General Obligation Refunding Bonds for the purpose of refunding certain heretofore issued and now outstanding General Obligation Bonds, Series 2005A, of the City of Peoria, Peoria County, Illinois, authorizing the execution of an escrow agreement and a bond order and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

(the “Bond Ordinance”) which was before the City Council and was made available to any person requesting it in words and figures as follows.

Council Member _____ moved and Council Member _____ seconded the motion that the Bond Ordinance as presented be adopted.

A discussion of the matter followed.

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

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

City Clerk

ORDINANCE NUMBER _____

AN ORDINANCE providing for the issuance of one or more series of General Obligation Refunding Bonds for the purpose of refunding certain heretofore issued and now outstanding General Obligation Bonds, Series 2005A, of the City of Peoria, Peoria County, Illinois, authorizing the execution of an escrow agreement and a bond order and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

Adopted by the City Council on the
26th day of August, 2014.

TABLE OF CONTENTS

SECTION	HEADING	PAGE
PREAMBLES		1
SECTION 1. DEFINITIONS		2
SECTION 2. INCORPORATION OF PREAMBLES.....		8
SECTION 3. DETERMINATION TO ISSUE BONDS.....		8
SECTION 4. BOND DETAILS.....		8
SECTION 5. BOOK ENTRY PROVISIONS		10
SECTION 6. EXECUTION; AUTHENTICATION.....		12
SECTION 7. REDEMPTION.....		12
SECTION 8. REDEMPTION PROCEDURE.....		13
SECTION 9. REGISTRATION AND EXCHANGE OR TRANSFER OF BONDS; PERSONS TREATED AS OWNERS		18
SECTION 10. FORM OF BOND		19
SECTION 11. SECURITY FOR THE BONDS.....		25
SECTION 12. TAX LEVY; ABATEMENT		25
SECTION 13. FILING WITH COUNTY CLERK.....		26
SECTION 14. SALE OF BONDS; EXECUTION OF BOND ORDER AND DOCUMENTS; PURCHASE OF REFUNDED BONDS		26
SECTION 15. GENERAL COVENANTS.....		29
SECTION 16. CREATION OF FUNDS AND APPROPRIATIONS; ESCROW AGREEMENT		30
SECTION 17. GENERAL ARBITRAGE COVENANTS		32
SECTION 18. CERTAIN SPECIFIC TAX COVENANTS		33
SECTION 19. DESIGNATION OF BONDS.....		35

SECTION 20.	REGISTERED FORM.....	35
SECTION 21.	CONTINUING DISCLOSURE UNDERTAKING.....	36
SECTION 22.	DEFEASANCE	36
SECTION 23.	MUNICIPAL BOND INSURANCE.....	37
SECTION 24.	CALL OF THE REFUNDED BONDS.....	37
SECTION 25.	RIGHTS AND DUTIES OF BOND REGISTRAR AND PAYING AGENT	37
SECTION 26.	TAXES PREVIOUSLY LEVIED	38
SECTION 27.	PUBLICATION OF ORDINANCE	39
SECTION 28.	SUPERSEDER AND EFFECTIVE DATE.....	39
SECTION 29.	SEVERABILITY.....	40

LIST OF EXHIBITS

- A — Bond Order (Form)
- B — Escrow Agreement (Form)
- C — Continuing Disclosure Undertaking (Form)
- D — Bond Purchase Agreement (Form)

ORDINANCE NUMBER _____

AN ORDINANCE providing for the issuance of one or more series of General Obligation Refunding Bonds for the purpose of refunding certain heretofore issued and now outstanding General Obligation Bonds, Series 2005A, of the City of Peoria, Peoria County, Illinois, authorizing the execution of an escrow agreement and bond order and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

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, pursuant to an ordinance adopted on the 15th day of February, 2005 (the “*Prior Bond Ordinance*”), the City has heretofore issued and there are now outstanding certain General Obligation Bonds, Series 2005A (the “*Series 2005A Bonds*” or the “*Prior Bonds*”), dated March 15, 2005, which are payable on January 1 of the years and in the amounts and bear interest at the rates percent per annum as follows:

<u>YEAR</u>	<u>AMOUNT \$</u>	<u>RATE (%)</u>
2015	1,330,000	4.000
2016	2,015,000	4.000
****	****	****
2019	3,230,000	4.250
2020	3,855,000	4.250
2021	3,430,000	4.500

The 2005A Bonds coming due on January 1, 2016, and thereafter are subject to redemption prior to maturity at the option of the City on January 1, 2015, and any date thereafter, from any available moneys, in whole or in part, and if in part, in such principal amounts and from such maturities as the City shall determine and within any maturity by lot, at a redemption price of par plus accrued interest to the date fixed for redemption.

; and

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

WHEREAS the specific Refunded Bonds will be determined in an escrow agreement as hereinafter authorized to be executed by and on behalf of the City or the Bond Order (as hereinafter defined) but are presently expected to be such Prior Bonds as the City, aided by Speer Financial, Inc., its independent financial advisor (“*Speer*”), shall determine are necessary so as to realize the Savings; and

WHEREAS the estimated cost to the City of the Refunding is the sum of not more than \$13,000,000 plus any estimated available amount of interest earnings on said sum prior to its expenditure; and

WHEREAS there are insufficient funds on hand and available to pay the costs of the Refunding, and it is necessary for that purpose that a sum to pay such costs be borrowed at this time, and in evidence of such indebtedness, general obligation bonds of the City be issued in the principal amount of not to exceed \$13,000,000, and that such indebtedness be incurred in accordance with the Act (as hereinafter defined), and without submitting the question of incurring such indebtedness to the electors of the City for their approval:

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. Definitions. In addition to such other words and terms used and defined in this Ordinance, the following words and terms used in this Ordinance shall have the following meanings, unless, in either case, the context or use clearly indicates another or different meaning

is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

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

City

Corporate Authorities

Prior Bond Ordinance

Prior Bonds

Refunded Bonds

Refunding

Savings

Series 2005A Bonds

Speer

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

“Act” means the Illinois Municipal Code, and also the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970; and in the event of conflict between the provisions of said code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said code.

“Bond” or *“Bonds”* means one or more, as applicable, of the not to exceed \$13,000,000 General Obligation Refunding Bonds to be issued in one or more series not later than April 1, 2015, authorized to be issued by this Ordinance.

“Bond Counsel” means Chapman and Cutler LLP, Chicago, Illinois, or if Chapman and Cutler LLP is unable or unwilling to provide an opinion, another firm of attorneys having a national reputation for expertise in Tax-exempt municipal obligations.

“*Bond Fund*” means the Bond Fund established and defined in Section 16 of this Ordinance.

“*Bond Order*” means a Bond Order as authorized to be executed by Designated Officers of the City in Section 14 of this Ordinance, substantially in the form (with related certificates) as attached hereto as *Exhibit A*, and by which the final terms of the Bonds will be established.

“*Bond Purchase Agreement*” means the bond purchase agreement for the Bonds as submitted by the Purchaser, as authorized to be executed in Section 14 of this Ordinance, and the form of which is set forth as *Exhibit D*.

“*Bond Register*” means the books of the City kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

“*Bond Registrar*” means the Comptroller of the City, or designee, and successors or assigns.

“*Book Entry Form*” means the form of Bonds as fully registrable and available in physical form only to the Depository.

“*Continuing Disclosure Undertaking*” means the undertaking by the City for the benefit of the Purchaser as authorized in Section 21 of this Ordinance and substantially in the form as attached hereto as *Exhibit C*.

“*County Clerk*” means the County Clerk of The County of Peoria, Illinois.

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

“*Depository*” means The Depository Trust Company, a New York limited trust company, its successors, or a successor depository qualified to clear securities under applicable state and federal laws.

“*Designated Officers*” means the Mayor, the City Clerk, the City Treasurer, the Finance Director/Comptroller and the City Manager, or successors or assign.

“*Escrow Agent*” means a bank of trust institution, having fiduciary powers, so designated in a Bond Order, and successors or assigns.

“*Escrow Agreement*” means the agreement by and between the City and the Escrow Agent as authorized in Section 16 of this Ordinance and set forth as *Exhibit B*.

“*Full Faith and Credit Taxes*” means the unlimited ad valorem taxes levied by and under this Ordinance against all of the taxable property in the City, without limitation as to rate or amount, pledged hereunder as security for the Bonds.

“*Government Securities*” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of the United States of America and all securities or obligations, the prompt payment of principal and interest of which is guaranteed by a pledge of the full faith and credit of the United States of America.

“*Interest Payment Date*” means a Stated Maturity of interest on the Bonds.

“*Ordinance*” means this Ordinance, numbered as set forth on the title page hereof, and passed by the Corporate Authorities on the 26th day of August, 2014, as originally adopted and as the same may from time to time be amended or supplemented.

“*Outstanding*” or “outstanding” refers to Bonds which are outstanding and unpaid; *provided, however*, such term shall not include Bonds which (i) have matured and for which moneys are on deposit with proper paying agents or similar institutions having trust powers, or are otherwise properly available, sufficient to pay all principal and interest thereof, or (ii) the provision for payment of which has been made by the City by the deposit in an irrevocable trust or escrow account 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 of the principal of and interest and any applicable premium on such Bonds.

“*Paying Agent*” means the Comptroller of the City, or designee.

“Private Business Use” means any use of the Prior Project by any person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Prior Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Prior Project that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Prior Project that is not available for use by the general public. Private Use does not include use of Bond-financed property pursuant to certain short-term arrangements not exceeding (i) two hundred days, (ii) one hundred days or (iii) fifty days, as set forth in Section 1.141-3 of the United States Treasury Regulations dealing with tax-exempt bond provisions of the Code.

“Prior Project” means the acquisition, installation and construction of various public capital improvements to and for the Peoria Civic Center that were financed with the Prior Bonds.

“Purchaser” means Mesirow Financial, Inc., Chicago, Illinois.

“Record Date” means the 15th day of the month next preceding any regularly scheduled Interest Payment Date occurring on the first day of a month and 15 days preceding any Interest Payment Date occasioned by a redemption of Bonds on other than a regularly scheduled Interest Payment Date.

“Representation Letter” means such letter or agreement as shall be necessary to effectuate a book-entry system for the Bonds, and specifically includes the Blanket Letter of Representations previously executed by the City and the Depository.

“Stated Maturity” when used with respect to any Bond or Refunded Bond or any interest thereon means the date specified in such Bond or Refunded Bond as the fixed date on which the principal of such Bond or Refunded Bond or such interest is due and payable, whether by maturity, mandatory redemption or otherwise.

“Taxable” means, with respect to the Bonds, the status of interest paid and received thereon as not Tax-exempt.

“Tax-exempt” means, with respect to the Bonds, the status of interest paid and received thereon as excludable from the gross income of the owners thereof under the Code for federal income tax purposes, and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

“Term Bonds” means Bonds subject to mandatory redemption by operation of the Bond Fund and designated as Term Bonds pursuant to the Bond Order.

“Treasurer” means the City Treasurer, or designee, or successors or assigns.

C. For all purposes of this Ordinance, except as otherwise expressly provided herein or unless the context otherwise requires:

1. The terms defined in this Section or elsewhere in this Ordinance have the meanings assigned to them and include the plural as well as the singular (or vice-versa).

2. All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles for municipal enterprise funds.

3. All references in this Ordinance to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted.

4. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

5. The table of contents preceding and headings in this Ordinance are for the convenience of the reader and are not a part of this Ordinance.

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

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

Section 4. Bond Details. For the purpose of providing for such costs, there shall be issued and sold the Bonds, in one or more series, in the total principal amount of not to exceed \$13,000,000. The Bonds shall each be designated “*General Obligation Refunding Bond, Series 2014_*” (or such other name or series designation as the Designated Officers shall determine to be appropriate and as shall be provided in the Bond Order); be dated the date of delivery, or such other date or dates, not later than April 1, 2015, as shall be set out in the Bond Order (the “*Dated Date*”); and shall also bear the date of authentication thereof. The Bonds shall be in fully registered book-entry form (hereinafter “*Book Entry Form*”), shall be in denominations of \$5,000 or integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), and shall be numbered consecutively in such fashion as shall be determined by the Bond Registrar, and shall become due and payable (subject to right of prior redemption as hereinafter stated) on January 1 of the years and in the amounts and

bearing interest at the rates as set forth in the Bond Order, *provided, however*, that (i) the maximum amount of Bonds having a Stated Maturity on any January 1 shall be not greater than \$4,000,000, (ii) no Bond shall bear interest at a rate percent per annum which is in excess of five percent (5.00%), and (iii) no Bond shall have a Stated Maturity which is later than January 1, 2021.

Each Bond shall bear interest from the later of its Dated Date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on January 1 and July 1 of each year, commencing on January 1, 2015, or on such other January 1 or July 1 as shall be set forth in the Bond Order. Interest on each Bond shall be paid by check or draft of the Bond Registrar payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date, and mailed to the registered owner of the Bond as shown in the Bond Registrar or at such other address furnished in writing by such Registered Owner, or as otherwise may be agreed with the Depository for so long as the Depository is the registered owner as of a given Record Date. The principal of or redemption price due on the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal office of the Bond Registrar or at the principal office maintained for the purpose, located in the City of Peoria, Illinois, or at the successor Bond Registrar and locality.

All or any portion of the Bonds may be issued as Tax-exempt or not Tax-exempt as the Designated Officers shall determine upon consultation with Bond Counsel and as shall be provided in a relevant Bond Order.

Section 5. Book Entry Provisions. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each maturity bearing the same interest rate. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of the Depository or a designee or nominee of the Depository (such depository or nominee being the “*Book Entry Owner*”). Except as otherwise expressly provided, all of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of the Book Entry Owner (and accordingly in Book Entry Form as such term is used in this Ordinance). Any City officer, as representative of the City, is hereby authorized, empowered, and directed to execute and deliver or utilize a previously executed and delivered Letter of Representations or Blanket Letter of Representations (either being the “*Letter of Representations*”) substantially in the form common in the industry, or with such changes therein as the officer executing the Letter of Representations on behalf of the City shall approve, his or her execution thereof to constitute conclusive evidence of approval of such changes, as shall be necessary to effectuate Book Entry Form. Without limiting the generality of the authority given with respect to entering into such Letter of Representations, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interests therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices. With respect to Bonds registered in the Bond Register in the name of the Book Entry Owner, none of the City, any City officer, or the Bond Registrar shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank, or other financial institution being referred to herein as a “*Depository Participant*”) or to any person on behalf of whom such a Depository

Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the City, any City officer, and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Book Entry Owner, or any Depository Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register or as otherwise expressly provided in the Letter of Representations, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. In the event that (a) the City determines that the Depository is incapable of discharging its responsibilities described herein and in the Letter of Representations, (b) the agreement among the City, the Bond Registrar, and the Depository evidenced by the Letter of Representations shall be terminated for any reason, or (c) the City determines that it is in the best interests of the City or of the beneficial owners of the Bonds either that they be able to obtain certificated Bonds or that another depository is preferable, the City shall notify the Depository and the Depository shall notify the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the Book Entry Owner. Alternatively, at such time, the City may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a system accommodating Book Entry Form, as may be acceptable to the City, or such depository's agent or designee, but if the City does not select such alternate book entry system, then the Bonds shall be registered in whatever name or

names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 6. Execution; Authentication. The Bonds shall be executed on behalf of the City 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, 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 7. Redemption. (a) *Optional Redemption.* If so provided in the Bond Order, the Bonds shall be subject to redemption prior to maturity at the option of the City, from any available moneys, *provided, however,* that the first optional redemption date for the Bonds shall not be later than 10-1/2 years from the date the Bonds are issued and *further provided* that no Bond may be callable for redemption at a redemption price in excess of 102% of principal amount redeemed.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Order shall be Term Bonds and 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 for the Term Bonds on January 1 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Order.

The principal amounts of Term Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Term 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 City shall, purchase Term Bonds required to be retired on such mandatory redemption date. Any such Term 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.

The City covenants that it will redeem Term Bonds pursuant to the mandatory redemption requirement for such Term Bonds. Proper provision for mandatory redemption having been made, the City covenants that the Term Bonds so selected for redemption shall be payable as at maturity, and taxes shall be levied and collected as provided herein accordingly.

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

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

B. *Selection of Bonds within a Maturity.* For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar for the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall make such selection (1) upon or prior to the time of the giving of official notice of redemption, or (2) in the event of a refunding or defeasance, upon advice from the City that certain Bonds have been refunded or defeased and are no longer Outstanding as defined.

C. *Official Notice of Redemption.* The Bond Registrar shall promptly notify the City in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed. Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class U.S. mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All official notices of redemption shall include the name of the Bonds and at least the information as follows:

- (a) the redemption date;
- (b) the redemption price;

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

(d) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and

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

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

E. *Bonds Shall Become Due.* Official notice of redemption having been given as described, the Bonds or portions of Bonds so to be redeemed shall, subject to the stated condition in paragraph (D) immediately preceding, on the redemption date, become due and payable at the redemption price therein specified, and from and after

such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due.

F. *Insufficiency in Notice Not Affecting Other Bonds; Failure to Receive Notice; Waiver.* Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. *In lieu of the foregoing official notice, so long as the Bonds are held in book entry form, notice may be given as provided in the Representation Letter, and the giving of such notice shall constitute a waiver by DTC and the book entry owner, as registered owner, of the foregoing notice. After giving proper notification of redemption to the Bond Registrar, as applicable, the City shall not be liable for any failure to give or defect in notice.*

G. *New Bond in Amount Not Redeemed.* Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or

Bonds of like tenor, of Authorized Denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

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

I. *Bonds to Be Cancelled; Payment to Identify Bonds.* All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

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

respect to the Bonds, which may contain other provisions relating to notice of redemption of Bonds.

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

Section 9. Registration and Exchange or Transfer of Bonds; Persons Treated as Owners. The City shall cause the Bond Register to be kept at the office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City for the Bonds, or at the principal office maintained for the purpose by any successor bond registrar. The City is authorized to prepare, and the Bond Registrar or such other agent as the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

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

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

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however*, that the principal amount of Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid.

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

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

Section 10. Form of Bond. The Bonds shall be in substantially the form hereinafter set forth; *provided, however*, that if the text of the Bonds is to be printed in its entirety on the front side of the Bonds, then the second paragraph on the front side and the legend “See Reverse Side for Additional Provisions” shall be omitted and the text of paragraphs set forth for the reverse side shall be inserted immediately after the first paragraph.

[FORM OF BOND - FRONT SIDE]

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF PEORIA
CITY OF PEORIA

[TAXABLE] GENERAL OBLIGATION REFUNDING BOND, SERIES 201__

See Reverse Side for
Additional Provisions.

Interest Maturity Dated
Rate: ____% Date: January 1, 20__ Date: _____, 201__ CUSIP: 713176 ____

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the City of Peoria, Peoria County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above [(subject to right of prior redemption as hereinafter provided)], 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 _____ 1, 20__, 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 paying agent and bond registrar (the “Bond Registrar”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained

by the Bond Registrar, at the close of business on the applicable Record Date (the “*Record Date*”). The Record Date shall be the 15th day of the month next preceding any regularly scheduled Interest Payment Date occurring on the first day of a month and 15 days preceding any Interest Payment Date occasioned by a redemption of Bond on other than a regularly scheduled 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, or as otherwise agreed by the City and the Bond Registrar for so long as this Bond is held by The Depository Trust Company, New York, New York, the Depository, or nominee, in book-entry only form as provided for same.

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, 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 manually 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: _____, 20__

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the [Taxable] General Obligation Refunding Bonds, Series 20__, having a Dated Date of _____, 201_, of the City of Peoria, Peoria County, Illinois.

Bond Registrar and Paying Agent:

SPECIMEN

City Comptroller
City of Peoria, Peoria County, Illinois

[FORM OF BOND - REVERSE SIDE]

This bond is one of a series of bonds (the “*Bonds*”) in the aggregate principal amount of \$_____ issued by the City for the purpose of paying costs of the Refunding, and of paying expenses incidental thereto, all as described and defined in the ordinance 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 of the City, approved by the Mayor, and published, in all respects as by law required.

This Bond is subject to provisions relating to registration, transfer and exchange; and such other terms and provisions relating to security and payment as are set forth in the Ordinance, to which reference is hereby expressly made, and to all the terms of which the Registered Owner hereof is hereby notified and shall be subject.

[The Bonds coming due on and after January 1, 20___, are subject to redemption prior to maturity at the option of the City on January 1, 20___, and any date thereafter, from any lawfully available monies, in whole or in part, and if in part, in such principal amounts and from such maturities as the City shall determine, and within any maturity by lot, at a redemption price of ___ plus accrued interest, upon the terms and conditions and as otherwise provided in the Bond Ordinance.

The Bonds due on January 1, 20___, are Term Bonds and 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 and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
20	\$
20	
20	
20	(Stated Maturity)]

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.

[This Bond is a “qualified tax-exempt obligation” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.]

ASSIGNMENT

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

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

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

Dated: _____

Signature guaranteed: _____

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

Section 11. Security for the Bonds. The Bonds, together with the interest and any premium thereon, shall be and forever remain until paid or defeased, secured by the full faith and credit of the City and the City's levy of the Full Faith and Credit Taxes.

Section 12. Tax Levy; Abatement. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose; and there is hereby levied on all of the taxable property in the City, in addition to all other taxes, the Full Faith and Credit Taxes in the amounts and for the years as shall be provided in the Bond Order. The Full Faith and Credit Taxes and other moneys on deposit in the Bond Fund from time to time (the "*Bond Moneys*") shall be applied to pay principal of and interest on the Bonds.

Interest on or principal of the Bonds coming due at any time when there are insufficient Bond Moneys to pay the same shall be paid promptly when due from current funds on hand in advance of the deposit of the Full Faith and Credit Taxes; and when the Full Faith and Credit Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

The City covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the Full Faith and Credit Taxes. The City and its officers will comply with all present and future applicable laws in order to assure that the Full Faith and Credit Taxes may lawfully be levied, extended and collected as provided herein.

In the event that funds from any other lawful source are made or are reasonably anticipated to become available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the taxes levied herein for the payment of same, the Corporate Authorities shall, by proper proceedings, direct the abatement of the taxes by such amount. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerk in a timely manner to effect such abatement.

Section 13. Filing with County Clerk. Promptly, as soon as this Ordinance becomes effective and the Bond Order shall have been executed, a copy of this Ordinance, certified by the City Clerk of the City, and a fully executed copy of the Bond Order shall be filed with the County Clerk; and the County Clerk shall in and for each of the years as set forth in the Bond Order ascertain the rate percent required to produce the aggregate Full Faith and Credit Taxes hereinbefore provided to be levied in each of the years as set forth in the Bond Order and subject to abatement as provided in Section 12; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the City for general corporate purposes of the City; and the County Clerk, or other appropriate officer or designee, shall remit the Full Faith and Credit Taxes for deposit to the credit of the Bond Fund; and, subject to abatement as stated hereinabove, in said years such annual tax shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes for said years are levied and collected, and in addition to and in excess of all other taxes.

Section 14. Sale of Bonds; Execution of Bond Order and Documents; Purchase of Refunded Bonds. A. SALE OF BONDS AUTHORIZED. The Designated Officers are hereby authorized to proceed, without any further authorization or direction whatsoever from the Corporate Authorities, to sell and deliver the Bonds, in one or more series, upon the terms as

prescribed in this Section, pursuant to the Bond Order. The Designated Officers must find and determine in the Bond Order that no person holding any office of the City either by election or appointment, is in any manner financially interested either directly, in his or her own name, or indirectly in the name of any other person, association, trust or corporation in the Bond Purchase Agreement with the Purchaser for the purchase of the Bonds. The Bonds shall be sold and delivered to the Purchaser at the price of not less than 98% of the par value of the principal amount thereof (net of any original issue discount), plus accrued interest to the date of delivery, if any. Such sale shall be made upon the advice (in the form of a written certificate or report) of Speer, that the net interest cost rate on the Bonds, calculated in accordance with customary market practice, does not exceed five percent (5.00%) and that the terms of the Bonds are fair and reasonable in view of current conditions in the bond markets. As a further limitation on the sale of the Bonds, the Designated Officers must find (which finding may be made with the advice of Speer) that the sale of the Bonds will realize a minimum net present value savings of not less than four percent (4.00%) of the debt service on the Refunded Bonds being refunded (the “*Savings Target*”). The Designated Officers may choose all or any lesser portion of the Refunded Bonds eligible to be refunded, in such manner as will meet the Savings Target. Nothing in this Section shall require the Designated Officers to sell any of the Bonds if in their judgment, aided by Speer, the conditions in the bond markets shall have deteriorated from the time of adoption thereof or the sale of all or any portion of the Bonds shall for some other reason not be deemed advisable, but the Designated Officers shall have the authority to sell the Bonds in any event so long as the limitations set forth in this Ordinance and the conditions of this Section shall have been met. As a further exercise of this authority, the Designated Officers may sell the Bonds in more than one series; and, in such event, shall be authorized to change the name of the Bonds for each such series so that such series may properly be identified separately. Further, in

such event, the provisions for registration, redemption and exchange of Bonds shall be read as applying to Bonds only of each series, respectively, and not as between series.

B. BOND ORDER AND SALE DOCUMENTS. Upon the sale of the Bonds, the Designated Officers 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, a Bond Order, to be substantially in the form of *Exhibit A* attached hereto, and such additional documents of sale of the Bonds as may be necessary, including, without limitation, an Official Statement, a Bond Purchase Agreement, for any Bonds which are Tax-exempt, a tax exemption certificate and agreement (a “*Tax Certificate*”), and closing documents (which may include an Escrow Agreement), all as prepared by Bond Counsel and approved as to form by the Corporation Counsel. The distribution of the Preliminary Official Statement in form as prepared by Speer relating to the Bonds is hereby in all respects authorized and approved, and the proposed use by the Purchaser of an Official Statement (in substantially the form of the Preliminary Official Statement but with appropriate variations to reflect the final terms of the Bonds) is hereby approved. The Designated Officers shall execute a Bond Purchase Agreement for the sale of the Bonds to the Purchaser in substantially the form attached hereto as *Exhibit D*. Upon the sale of the Bonds, the Designated Officers shall prepare the Bond Order, which shall include the pertinent details of sale as provided herein, and such shall be entered into the records of the City and made available to the Corporate Authorities at the next public meeting thereof. The Designated Officers shall also file with the County Clerk the Bond Order or like document including a statement of taxes. The Designated Officers are hereby authorized to take any action as may be required on the part of the City to consummate the transactions contemplated by the Bond Purchase Agreement, this Ordinance, said Preliminary Official Statement, said final Official Statement, the Tax Certificate,

if any, the Escrow Agreement and the Bonds, but the authority granted in this Ordinance to the Designated Officers to sell Bonds as provided herein shall expire on April 1, 2015.

C. PURCHASE OF SECURITIES. The City hereby expressly authorizes the Designated Officers to purchase such securities and obligations, which may include Tax-exempt or Taxable municipal obligations, as the Designated Officers, aided by Speer, shall determine will meet the Savings Target. The City hereby expressly acknowledges that use of securities or obligations other than Government Securities in connection with the Refunding will not accomplish the defeasance of the Refunded Bonds under the Prior Bond Ordinance.

Section 15. General Covenants. The City covenants and agrees with the registered owners of the Bonds that, so long as any Bonds remain outstanding and unpaid:

(a) The City will punctually pay or cause to be paid the principal of, interest on and premium, if any, to become due in respect of 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, any and all lawful claims which, if unpaid, might become a lien or charge upon the Full Faith and Credit Taxes or any part thereof, 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 preserve and protect the security of the Bonds and the rights of the Bondholders, 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.

(d) 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 holders of the Bonds of the rights and benefits provided in this Ordinance.

Section 16. Creation of Funds and Appropriations; Escrow Agreement.

Bond proceeds and other funds of the City as noted are hereby appropriated as follows:

A. Accrued interest on the Bonds, if any, shall be and is hereby appropriated for the purpose of paying the first interest due on the Bonds and to such end is hereby ordered to be deposited into the "General Obligation Refunding Bonds, Series 201___, Bond and Interest Sinking Fund Account" (the "*Bond Fund*"), hereby created, which shall be the fund for the payment of principal of and interest on the Bonds.

B. The Full Faith and Credit Taxes shall either be deposited into the Bond Fund and used solely and only for paying the principal of and interest on the Bonds or be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on the Bonds prior to receipt of Full Faith and Credit Taxes. Interest income or investment profit earned in the Bond Fund shall be retained in the Bond Fund for payment of the principal of or interest on the Bonds on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the Corporate Authorities, transferred to such other fund as may be determined. The City hereby pledges, as equal and ratable security for the Bonds, all present and future proceeds of the Full Faith and Credit Taxes for the sole benefit of the registered owners of the Bonds, subject to the reserved right of the Corporate Authorities to transfer certain interest income or investment profit earned in the Bond Fund to other funds of the City, as described in the preceding sentence.

C. The amount necessary from the proceeds of the Bonds shall be used to pay costs of issuance of the Bonds and shall either be paid directly by the Purchaser from funds available at delivery of the Bonds or be deposited into a separate fund, hereby created, designated the “*Expense Fund.*” Any disbursements from such fund shall be made from time to time as necessary. Any excess in said fund shall be deposited into the Bond Fund hereinafter created within six months from the date of issuance of the Bonds.

D. The sum of principal proceeds of and premium, if any, received on the Bonds as is necessary shall be used to provide for the Refunding of the Refunded Bonds, including the payment of such expenses as may be designated, all pursuant to the provisions of the Escrow Agreement with the Escrow Agent as designated, all in accordance with the provisions of the Escrow Agreement, substantially in the form attached hereto as *Exhibit B* to this Ordinance, made a part hereof by this reference, and hereby approved; the officers appearing signatory to such Escrow Agreement are hereby authorized and directed to execute same, their execution to constitute conclusive proof of action in accordance with this Ordinance, and approval of all completions or revisions necessary or appropriate to effect the Refunding. Alternatively to the use of the Escrow Agreement, the City may provide for the Refunding by, at the closing of the Bond issue, directly depositing with the holder of the Refunded Bonds, the full amount of proceeds necessary to entirely prepay and refund the Refunded Bonds.

E. The remaining proceeds of the Bonds, if any, shall be deposited to the credit of the Bond Fund and expended with the next disbursement therefrom.

F. Alternatively, the Treasurer may allocate proceeds of the Bonds otherwise designated for the Bond Fund or the Expense Fund to one or more related funds of the City already in existence; *provided, however,* that this shall not relieve the Treasurer of the duty to account for the proceeds as herein provided.

Section 17. 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 Tax-exempt Bonds) if taking, permitting or omitting to take such action would cause any of the Tax-exempt 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 Tax-exempt Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Tax-exempt Bonds, under present rules, the City is treated as the “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. The City also agrees and covenants with the purchasers and holders of the Tax-exempt 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 Tax-exempt Bonds and affects the Tax-exempt status of the Bonds. The Corporate Authorities hereby authorize any of the Designated Officers to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Tax-exempt Bonds to be arbitrage bonds and to assure that the interest on the Tax-exempt Bonds will be exempt from federal income taxation. In connection therewith, the City and the Corporate Authorities 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 Tax-exempt 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 18. Certain Specific Tax Covenants. A. None of the Tax-exempt Bonds or the Refunded Bonds was or shall be a “private activity bond” as defined in Section 141(a) of the Code; and the City certifies, represents, and covenants as follows:

(1) Not more than 5% of the net proceeds of the Tax-exempt Bonds or of the Refunded Bonds was or is to be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit.

(2) Not more than 5% of the amounts necessary to pay the principal of and interest on the Tax-exempt Bonds or of the Refunded Bonds was or will be derived, directly or indirectly, from payments with respect to any private business use by any person other than a state or local governmental unit.

(3) None of the proceeds of the Tax-exempt Bonds or of the Refunded Bonds was or is to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(4) No user of the land or infrastructure of the City financed with the Refunded Bonds, other than the City or another governmental unit, will use the same on any basis other than the same basis as the general public; and no person, other than the City or another governmental unit, will be a user of such land or infrastructure as a result of (i) ownership or (ii) actual or beneficial use pursuant to a lease, a management or incentive payment contract other than as expressly permitted by the Code, or (iii) any other arrangement.

B. The Tax-exempt Bonds shall not be “arbitrage bonds” under Section 148 of the Code; and the City certifies, represents, and covenants as follows:

(1) All of the proceeds of the Refunded Bonds have been spent, except for money treated as proceeds on deposit in the bond fund or debt service fund, if any, for the Refunded Bonds.

(2) Except for the Bond Fund, the City has not created or established and will not create or establish any sinking fund reserve fund or any other similar fund to provide for the payment of the Tax-exempt Bonds. The Bond Fund has been established and will be funded in a manner primarily to achieve a proper matching of revenues and debt service and will be depleted at least annually to an amount not in excess of 1/12th the particular annual debt service on the Tax-exempt Bonds. Money deposited into the Bond Fund will be spent within a 13-month period beginning on the date of deposit, and investment earnings in the Bond Fund will be spent or withdrawn from the Bond Fund within a one-year period beginning on the date of receipt.

(3) Amounts of money related to the Tax-exempt Bonds required to be invested at a yield not materially higher than the yield on the Tax-exempt Bonds, as determined pursuant to such tax certifications or agreements as the City officers may make in connection with the issuance of the Tax-exempt Bonds, shall be so invested; and appropriate City officers are hereby authorized to make such investments.

(4) Unless an applicable exception to Section 148(f) of the Code, relating to the rebate of “excess arbitrage profits” to the United States Treasury (the “*Rebate Requirement*”) is available to the City, the City will meet the Rebate Requirement.

(5) Relating to applicable exceptions, any City officer charged with issuing the Tax-exempt Bonds is hereby authorized to make such elections under the Code as such officer shall deem reasonable and in the best interests of the City.

C. None of the proceeds of the Tax-exempt Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the City prior to the date hereof. This Ordinance is in itself a declaration of official intent under Treasury Regulations Section 1.150-2 as to all costs paid after the date hereof and prior to issuance of the Tax-exempt Bonds.

D. The City reserves the right to use or invest moneys in connection with the Tax-exempt Bonds in any manner or to use the City land or infrastructure acquired, constructed, or improved with proceeds of the Refunded Bonds in any manner, notwithstanding the representations and covenants relating to the Tax-exempt status of the Tax-exempt Bonds (in Sections 17 and 18 herein), *provided* it shall first have received an opinion from an attorney or a firm of attorneys of nationally recognized standing in matters pertaining to Tax-exempt bonds to the effect that use or investment of such moneys or the changes in or use of such land or infrastructure as contemplated will not result in loss or impairment of Tax-exempt status of the bonds.

Section 19. Designation of Bonds. If so designated in the Bond Order, each of the Tax-exempt Bonds is designated as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code.

Section 20. Registered Form. The City recognizes that Section 149 of the Code requires the Tax-exempt 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 Tax-exempt Bonds to be issued in, or converted into, bearer or coupon form.

Section 21. Continuing Disclosure Undertaking. The Mayor or the City Clerk of the City is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the “*Continuing Disclosure Undertaking*”) substantially in the form attached hereto as *Exhibit C* to this Ordinance, made a part hereof by this reference, and hereby approved; the officer signatory to such Continuing Disclosure Undertaking being hereby authorized and directed to execute same, his or her execution to constitute conclusive proof of action in accordance with this Ordinance, and approval of all completions or revisions necessary or appropriate to such undertaking. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding upon 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 22. Defeasance. Any Bond or Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon, or (c) for which sufficient funds and Defeasance Obligations have been deposited with the Bond Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Pledged

Taxes and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the Tax-exempt status of the Bonds; and payment, registration, transfer, and exchange; are expressly continued for all Bonds whether outstanding Bonds or not. For purposes of this Section, “*Defeasance Obligations*” means (a) direct and general full faith and credit obligations of the United States Treasury (“*Directs*”), (b) certificates of participation or trust receipts in trusts comprised wholly of Directs or (c) other obligations unconditionally guaranteed as to timely payment by the United States Treasury.

Section 23. Municipal Bond Insurance. In the event the payment of principal of and interest on the Bonds is insured pursuant to a municipal bond insurance policy (a “*Municipal Bond Insurance Policy*”) issued by a bond insurer (a “*Bond Insurer*”), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the City and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer when holding Bonds, amendment hereof, or other terms, as approved by any of the Designated Officers, his or her approval to constitute full and complete acceptance by the City of such terms and provisions under authority of this Section.

Section 24. Call of the Refunded Bonds. In accordance with the redemption provisions of the ordinance under which the Refunded Bonds were issued, the City hereby makes provision for the payment of and does hereby call (subject only to the delivery of the Bonds), the Refunded Bonds for redemption and payment prior to maturity on the earliest possible and practicable redemption date as set forth in the Bond Order.

Section 25. Rights and Duties of Bond Registrar and Paying Agent. If requested by the Bond Registrar or the Paying Agent, or both, any officer of the City is authorized to execute

standard forms of agreements between the City and the Bond Registrar or Paying Agent with respect to the obligations and duties of the Bond Registrar or Paying Agent hereunder. In addition to the terms of such agreements and subject to modification thereby, the Bond Registrar and Paying Agent by acceptance of duties hereunder agree:

- (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.

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

Section 26. Taxes Previously Levied. To the extent not abated, the taxes previously levied for the years as provided in the Bond Order to pay the Refunded Bonds shall be used to effectuate the Refunding as provided in the Escrow Agreement, or to the extent not needed due to the issuance of the Bonds, shall be deposited into the Bond Fund and used to pay first interest coming due on the Bonds or shall be abated, all as shall be provided in the Bond Order. The Designated Officers are hereby expressly authorized to file an abatement certificate with the County Clerk, without further official action of the Corporate Authorities, to effectuate such abatement.

Section 27. Publication of Ordinance. A full, true and complete copy of this Ordinance shall be published within ten days after passage in pamphlet form by authority of the Corporate Authorities.

Section 28. 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 and approval.

Section 29. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

ADOPTED: August 26, 2014

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED: August 26, 2014

Mayor, City of Peoria, Peoria
County, Illinois

ATTEST:

City Clerk, City of Peoria
Peoria County, Illinois

Published in pamphlet form by authority of the City Council on August 26, 2014.

Recorded in the records of the City on August 26, 2014.

STATE OF ILLINOIS)
) SS
COUNTY OF PEORIA)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of 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 Corporate Authorities (the “Corporate Authorities”) thereof.

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting (the “Meeting”) of the Corporate Authorities held on the 26th day of August, 2014, insofar as the same relates to the adoption of an ordinance (the “Ordinance”), numbered _____, entitled:

AN ORDINANCE providing for the issuance of one or more series of General Obligation Refunding Bonds for the purpose of refunding certain heretofore issued and now outstanding General Obligation Bonds, Series 2005A, of the City of Peoria, Peoria County, Illinois, authorizing the execution of an escrow agreement and a bond order and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

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

I do further certify that the deliberations of the Corporate Authorities on the adoption of the Ordinance were taken openly; that the vote on the adoption of the Ordinance was taken openly; that the Meeting was held at a specified time and place convenient to the public; that notice of the Meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; that the Agenda for the Meeting was posted at the principal office of the Corporate Authorities and at the location where the Meeting was to be held on a day which was not a Saturday, Sunday or legal holiday for Illinois municipalities and at least 96 hours in advance of holding the Meeting; that the Agenda remained continuously at said locations until the adjournment of the Meetings that the Agenda described or made specific reference to the Ordinance; that a true, correct and complete copy of the Agenda as so posted is attached hereto; and that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the provisions of said Act and said Code, except as said Act and said Code are validly superseded by the home rule powers of the City, and with all of the procedural rules of the Corporate Authorities in the adoption of the Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City this 26th day of August, 2014.

City Clerk

[SEAL] CITY CLERK TO ATTACH AGENDA

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 Corporate Authorities (the “*Corporate Authorities*”) thereof.

I do further certify that on the 26th day of August, 2014, there was published in pamphlet form, by authority of the Corporate Authorities, a true, correct and complete copy of Ordinance Number _____ of the City providing for the issuance of one or more series of General Obligation Refunding Bonds, of the City and that said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as City Clerk located in the City.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the City this 26th day of August, 2014.

[SEAL]

City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF PEORIA)

CERTIFICATE OF FILING

I do hereby certify that I am the duly qualified and acting County Clerk of The County of Peoria, Illinois, and as such officer I do hereby certify that on the ____ day of _____, 20__, there was filed in my office a properly certified copy of Ordinance Number _____, passed by the Corporate Authorities of the City of Peoria, Peoria County, Illinois, on the 26th day of August, 2014, and entitled:

AN ORDINANCE providing for the issuance of one or more series of General Obligation Refunding Bonds for the purpose of refunding certain heretofore issued and now outstanding General Obligation Bonds, Series 2005A, of the City of Peoria, Peoria County, Illinois, authorizing the execution of an escrow agreement and a bond order and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

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

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of The County of Peoria, Illinois, at Peoria, Illinois, this ____ day of _____, 20__.

County Clerk of The County
of Peoria, Illinois

[SEAL]