

EXTRACT OF MINUTES of the regular public meeting of the City Council of the City of Monmouth, Warren County, Illinois, held in the City Hall, 100 East Broadway, Monmouth, Illinois, at 6:00 o'clock p.m., on the 19th day of July, 2021.

The Mayor called the meeting to order and directed the City Clerk to call the roll. Upon the roll being called, Rod Davies, the Mayor, and the following Aldermen answered present at said location: _____

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

No Alderman was denied permission to attend the meeting by video or audio conference.

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

The Mayor announced that the next item for consideration was the issuance of general obligation bonds to be issued by the City pursuant to its home rule powers, and that the City Council would consider the adoption of an ordinance providing for the issue of said bonds and the levy of a direct annual tax sufficient to pay the principal and interest thereon. The bonds would be issued by the City for the purposes of financing one or both of the following: (a) refunding certain outstanding bonds of the City and (b) waterworks and sewerage system improvements.

Thereupon, the City Clerk presented, the Mayor explained, and there was read by title an ordinance as follows, a copy of which was provided to each Alderman prior to said meeting and to everyone in attendance at said meeting who requested a copy:

AN ORDINANCE providing for the issuance of not to exceed \$13,650,000 General Obligation Bonds of the City of Monmouth, Warren County, Illinois, to finance one or both of the following: (i) refunding certain outstanding bonds of said City and (ii) waterworks and sewerage system improvements; providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on said bonds, and authorizing the sale of said bonds to the purchaser thereof.

(the “*Bond Ordinance*”).

Alderman _____ moved and Alderman _____ seconded the motion that the Bond Ordinance as presented be adopted and that the requirement of a second reading be waived with respect to the Bond Ordinance.

A discussion of the matter followed. During said discussion, the Mayor gave a public recital of the nature of the matter, which included a reading of the title of the Bond Ordinance and statements (1) that the Bond Ordinance provides parameters for the issuance of general obligation bonds for the purpose of financing one or both of the following: (i) refunding certain outstanding general obligation bonds for debt service savings and (ii) waterworks and sewerage system improvements, including water and sewer main replacement, (2) that the bonds are issuable without referendum pursuant to the home rule powers of the City, (3) that the Bond Ordinance provides for the levy of taxes sufficient to pay debt service on the bonds, (4) that the Bond Ordinance provides many details for the bonds including provisions for terms and form of the bonds and appropriations, and (5) that the Bond Ordinance authorizes the City to sell the bonds to the purchaser thereof, namely, Robert W. Baird & Co. Incorporated.

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 Aldermen voted AYE: _____

and the following Aldermen voted NAY: _____.

WHEREUPON, the Mayor declared the motion carried and the Bond Ordinance adopted, and did direct the City Clerk to record the same in full in the records of the City Council of the City of Monmouth, Warren County, Illinois.

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

City Clerk

ORDINANCE NUMBER 21-015

AN ORDINANCE providing for the issuance of not to exceed \$13,650,000 General Obligation Bonds of the City of Monmouth, Warren County, Illinois, to finance one or both of the following: (i) refunding certain outstanding bonds of said City and (ii) waterworks and sewerage system improvements; providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on said bonds, and authorizing the sale of said bonds to the purchaser thereof.

Adopted by the City Council on
the 19th day of July, 2021.

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This Table of Contents is for convenience only and is not part of the Ordinance.

ORDINANCE NUMBER 21-015

AN ORDINANCE providing for the issuance of not to exceed \$13,650,000 General Obligation Refunding Bonds of the City of Monmouth, Warren County, Illinois, to finance one or more of the following: refunding certain outstanding bonds of said City and waterworks and sewerage system improvements; providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on said bonds, and authorizing the sale of said bonds; to the purchaser thereof.

WHEREAS, the City of Monmouth, Warren County, Illinois (the “*City*”), pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, 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 the provisions of said Section 6, the City has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval; and

WHEREAS, for many years, the City has owned and operated a wastewater treatment system (the “*System*”); and

WHEREAS, the City has heretofore issued and has outstanding General Obligation Capital Appreciation Bonds, Series 2006, dated December 27, 2006 (the “*Prior Bonds*”); and

WHEREAS, all of the sale proceeds of the Prior Bonds were used to make improvements to the System, including construction of a new bar screen building, a new oxidation ditch type activated sludge system, new secondary clarifiers, a new outfall sewer and upgraded sludge handling facilities (collectively, the “*2006 Project*”) or to pay costs of issuance related to the Prior Bonds; and

WHEREAS, there are no special rates or payments required by any customers of the System related to the 2006 Project or to the repayment of the Prior Bonds; and

WHEREAS, the City Council of the City (the “*City Council*”) has determined that it is necessary, desirable and in the best interests of the City to refund all or a portion of the Prior Bonds (said portion of the Prior Bonds to be refunded being referred to herein as the “*Refunded Bonds*”) in order to achieve net debt service savings for the City; and

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

WHEREAS, the City Council has further determined that, in order to refund the Refunded Bonds, it is necessary, advisable and in the best interests of the City and its residents to borrow not to exceed \$8,500,000 at this time and, in evidence of such borrowing, issue its full faith and credit bonds in the principal amount of not to exceed \$8,500,000 (the “*Refunding Bonds*”); 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; and

WHEREAS, the City Council does hereby further determine that it is necessary, advisable and in the best interests of the City and its residents to undertake waterworks and sewerage system improvements, including water and sewer main replacement (the “*Project*”), all in accordance with the preliminary estimate of costs, which have been approved by the City Council and are now on file in the office of the City Clerk of the City (including the engineering, legal, financial and administrative expense related thereto); and

WHEREAS, the estimated cost of the Project is not less than \$5,150,000, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, pursuant to the Act, the City is authorized to issue its general obligation bonds in an amount not to exceed \$5,150,000 to pay the costs of the Project; and

WHEREAS, the City Council does hereby further determine that it is necessary, advisable and in the best interests of the City and its residents to borrow not to exceed \$5,150,000 at this time pursuant to the Act to pay the costs of the Project and, in evidence of such borrowing, issue its full faith and credit bonds in the principal amount of not to exceed \$5,150,000 (the “*Project Bonds*”):

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

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

Section 2. Determination to Issue Bonds. It is necessary and in the best interests of the City to refund the Refunded Bonds and/or pay the costs of the Project, to pay all related costs and expenses incidental thereto, and to borrow money and issue bonds for such purposes. It is hereby found and determined that such borrowing of money is necessary for the welfare of the government and affairs of the City, is for a proper public purpose or purposes and is in the public interest, and is authorized pursuant to 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 (and, in the event of conflict between the provisions of said code and said home rule powers, the home rule powers shall be deemed to supersede the provisions of said code); and these findings and determinations, together with those set forth in the preambles hereto, shall be deemed conclusive.

Section 3. Bond Details. For the purpose of providing for the refunding of the Refunded Bonds and/or the Project, the Bonds may be issued and sold, in one or more series, in an aggregate principal amount not to exceed \$13,650,000. If issued, the Bonds shall be designated “*General*”

Obligation Bonds, Series 2021A” or with such additional designations and descriptions as shall be necessary to properly describe the Bonds and set forth in the Bond Notification.

The Bonds may be issued as current interest bonds (the “*CIBs*”) or as capital appreciation bonds (the “*CABs*”) as set forth in the Bond Notification. The *CIBs* shall be dated the date of the issuance thereof (the “*Dated Date*”); and shall also bear the date of authentication thereof, shall be in fully registered form, shall be in denominations of \$5,000 or integral multiples thereof (but no single *CIB* shall represent principal maturing on more than one date), or such other denominations as set forth in the Bond Notification, and shall be numbered 1 and upward. The *CIBs*, if issued, shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter set forth) on December 1 of each of the years (not later than 2041), in the amounts (not exceeding \$350,000 per year) and bearing interest at the rates per annum (not exceeding 5.0% per annum) as set forth in the Bond Notification.

Each *CIB* shall bear interest from the later of the *Dated Date* or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such *CIB* is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on the date set forth in the Bond Notification. Interest on each *CIB* shall be paid by check or draft of the bond registrar and paying agent (the same being Amalgamated Bank of Chicago, Chicago, Illinois, or such other bank or trust company authorized to do business in the State of Illinois and set forth in the Bond Notification) (the “*Bond Registrar*”), payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such *CIB* is registered at the close of business on the applicable Record Date (as described in the next sentence), and mailed to the registered owner of the *CIB* as shown in the books of the City kept by the Bond Registrar to evidence the registration and transfer of the Bonds (the “*Bond*

Register”) or at such other address furnished in writing by such Registered Owner. The “*Record Date*” shall be the 15th day of the month of any regular interest payment date on the Bonds or the 15th day preceding any interest payment date on the Bonds occasioned by a redemption of the Bonds other than on a regular interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal corporate trust office of the Bond Registrar.

The CABs shall be dated the date of issuance thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of Original Principal Amounts (as defined in the Bond Notification) or any integral multiple thereof, each representing Compound Accreted Value (as hereinafter defined) at maturity (the “*Maturity Amount*”) of \$5,000 or any integral multiple thereof (but no single CAB shall represent Compound Accreted Value maturing on more than one date) and shall be numbered 1 and upward. As used herein, the “*Compound Accreted Value*” of a CAB on any date of determination shall be an amount equal to the Original Principal Amount (or integral multiple thereof) plus an investment return accrued to the date of such determination at a semi-annual compounding rate which is necessary to produce the original yield to maturity for such CAB as set forth in the Bond Notification from the date of such CAB. The Compound Accreted Value of a CAB on any June 1 or December 1, commencing on the first June 1 or December 1 following the issuance of the Bonds, shall be set forth in the Bond Notification. The Compound Accreted Value of any CAB on a date other than a June 1 or December 1 shall be determined conclusively by the Bond Registrar or a certified public accountant selected by the Bond Registrar by interpolating such Compound Accreted Value, using the straight line method, by reference to the Compound Accreted Values on the respective June 1 and December 1 immediately prior to and immediately subsequent to the date for which such determination is being made and the number of days elapsed since the respective June 1 or

December 1 immediately prior to the date for which such determination is being made, calculated on the basis of a 360 day year consisting of twelve 30-day months. The CABs shall become due or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on December 1 of the years (not later than 2036), and shall bear interest from their date at the rates per annum as set forth in the Bond Notification in each case compounded semi-annually on each June 1 and December 1, commencing on the first June 1 or December 1 following the issuance of the Bonds, which will provide the original yields to maturity until the respective maturity dates thereof, and shall be issued in the total aggregate Original Principal Amounts in each year (not exceeding \$1,250,000) as set forth in the Bond Notification.

Interest on the CABs shall be payable only at the respective maturity or redemption dates thereof. The Compound Accreted Value of the CABs shall be payable in lawful money of the United States of America upon presentation and surrender of the CABs at the principal corporate trust 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. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 5. Registration and Exchange or Transfer of Bonds; Persons Treated as Owners. (a) *General.* The City shall cause the Bond Register to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the City for the Bonds. The City is authorized to prepare, and the Bond Registrar or such other agent as the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same series and maturity of authorized denominations, for a like aggregate principal amount with respect to the CIBs and for a like aggregate Original Principal Amount with respect to the CABs. Any fully registered CIB or CIBs may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of CIB or CIBs of the same maturity of other authorized denominations. Any fully registered CAB or CABs may be exchanged at said office of the Bond Registrar for a like aggregate Original Principal Amount of CAB or CABs of the same maturity of other authorized

denominations. The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, *provided, however*, the original principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized original principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date for an interest payment to the opening of business on such payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

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

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

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the series and 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. The Designated Representatives (as hereinafter defined) and the Bond Registrar are each 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 the Payment Amount 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 Payment Amount 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 the Payment Amount 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 the Payment Amount 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 Payment Amount 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 the Payment Amount 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 to the registered owners of the CIBs at the close of business on the 15th day of the month next preceding the applicable payment date, the name "Cede" in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the City, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the City determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the City may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the City, or such depository's agent or designee, and if the City does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners

of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 4(a) hereof.

Notwithstanding any other provisions of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the Payment Amount 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 (Compound Accreted Value at maturity with respect to the CABs) in any order of their maturity as determined by the City (less than all of the Bonds of a single series and maturity to be selected by the Bond Registrar), on the date specified in the Bond Notification (but not later than 10-1/2 years from the date of issuance of the Bonds), and on any date thereafter, at the redemption price of par (or Compound Accreted Value on the redemption date with respect to the CABs) plus accrued interest to the date of redemption, if applicable, as set forth in the Bond Notification. The CIBs and the CABs may have different optional redemption provisions within the parameters set forth in this paragraph.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Notification shall be subject to mandatory redemption, in integral multiples of \$5,000 (Compound Accreted Value at maturity with respect to the CABs) selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date for the CIBs and at a redemption price of the Compound Accreted Value of the CABs on the redemption date, on December 1 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Notification.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the City may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the City 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 (or Compound Accreted Value with respect to the CABs) 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 to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the City in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 7. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and
- (6) such other information then required by custom, practice or industry standard.

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.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein

specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Section 8. Form of Bond. The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, “See Reverse Side for Additional Provisions”, shall be omitted and paragraph [6] and the paragraphs thereafter, as appropriate, shall be inserted immediately after paragraph [1] and *provided further* that the form be revised to reflect provisions applicable to the CABs, if any:

[Form of Bond - Front Side]

REGISTERED
NO. _____

REGISTERED
\$ _____

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
THE COUNTY OF WARREN
CITY OF MONMOUTH
GENERAL OBLIGATION BOND, SERIES 2021A**

See Reverse Side for
Additional Provisions.

Interest Maturity Dated
Rate: _____% Date: December 1, _____ Date: _____, 2021 CUSIP: 609592 _____

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the City of Monmouth, Warren 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 stated), 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 June 1 and December 1 of each year, commencing _____ 1, 20__ , until said Principal Amount is paid or duly provided for. The principal of and interest on this Bond is payable in lawful money of the United States of America upon presentation hereof at the principal corporate trust office of Amalgamated Bank of Chicago, Chicago, 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 applicable record date (the "*Record Date*"). The Record Date shall be the 15th day of the month of any regular or other interest payment date occurring on the thirtieth day of any month and 15 days preceding any interest payment date occasioned by the redemption of Bonds on any day other than the thirtieth day of a month. Interest shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar, or as otherwise agreed by the City and Cede & Co., as nominee, or successor, 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, including the authorizing Act, have existed and have been properly done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the City sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

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

IN WITNESS WHEREOF the City of Monmouth, Warren 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.

Mayor, City of Monmouth
Warren County, Illinois

ATTEST:

City Clerk, City of Monmouth
Warren County, Illinois

[SEAL]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Bonds, Series 2021A, having a Dated Date of _____, 2021, of the City of Monmouth, Warren County, Illinois.

AMALGAMATED BANK OF CHICAGO,
Chicago, Illinois
as Bond Registrar

Date of Authentication: _____, 2021

By _____
Authorized Officer

[Form of Bond - Reverse Side]

**CITY OF MONMOUTH
WARREN COUNTY, ILLINOIS
GENERAL OBLIGATION BOND, SERIES 2021A**

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 [refunding certain outstanding bonds of the City] [improving the waterworks and sewerage system of the City], and 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 amended; 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; and as further supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended (collectively, such Illinois Municipal Code, constitutional home rule powers, and act being the “*Act*”), and with the Ordinance, which has been duly approved by the City Council, and published, in all respects as by law required.

[Optional and Mandatory redemption provisions to be inserted, as necessary]

[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.]

Subject to the provisions relating to this Bond remaining in book-entry only form, this Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon

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

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date[, 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, the Bond Registrar and the Paying Agent 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 the City, the Bond Registrar and the Paying Agent shall not be affected by any notice to the contrary.

ASSIGNMENT

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

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature guaranteed: _____

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

Section 9. Tax Levy. 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 following direct annual taxes (the “*Pledged Taxes*”):

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE DOLLAR SUM OF:	
2021	\$1,975,000.00	for interest and principal up to and including December 1, 2022
2022	\$1,975,000.00	for interest and principal
2023	\$1,975,000.00	for interest and principal
2024	\$1,975,000.00	for interest and principal
2025	\$1,975,000.00	for interest and principal
2026	\$1,975,000.00	for interest and principal
2027	\$1,975,000.00	for interest and principal
2028	\$1,975,000.00	for interest and principal
2029	\$1,975,000.00	for interest and principal
2030	\$1,975,000.00	for interest and principal
2031	\$1,975,000.00	for interest and principal
2032	\$1,975,000.00	for interest and principal
2033	\$1,975,000.00	for interest and principal
2034	\$1,975,000.00	for interest and principal
2035	\$1,975,000.00	for interest and principal
2036	\$1,975,000.00	for interest and principal
2037	\$1,975,000.00	for interest and principal
2038	\$1,975,000.00	for interest and principal
2039	\$1,975,000.00	for interest and principal
2040	\$1,975,000.00	for interest and principal

Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes herein levied; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

Subject to the provisions of this section of the Ordinance, 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 Pledged Taxes, except as described herein. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied, extended and collected as provided herein and deposited into the Bond Fund (as hereinafter defined).

Whenever other funds from any lawful source are made available for the purpose of paying any principal of or interest on the Bonds, so as to enable the abatement of the taxes levied herein for the payment of same, the City Council may, by proper proceedings, direct the deposit of such funds into the Bond Fund and further shall direct the abatement of the taxes by the amount so deposited. A certified copy or other notification of any such proceedings abating taxes shall then be filed with the County Clerk of The County of Warren, Illinois (the "*County Clerk*") in a timely manner to effect such abatement.

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

Section 10. Filing with County Clerk 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 the County Clerk shall in and for each of the years as set forth herein, ascertain the rate necessary to produce the Pledged Taxes herein levied; and the

County Clerk shall extend the Pledged Taxes for collection on the tax books in connection with other taxes levied in said years in and by the City for general corporate purposes of the City; and, subject to abatement as stated hereinabove, in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes for said years are levied and collected, and in addition to and in excess of all other taxes, and when collected, the Pledged Taxes shall be placed to the credit of a special fund designated as the “Bond and Interest Fund of 2021” (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 are hereby directed to prepare and file with the County Clerk a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Prior Bonds being refunded and directing the abatement of the taxes heretofore levied to pay the Refunded Bonds.

Section 11. Sale of Bonds. Any two of the Mayor, the City Clerk, the City Treasurer and the City Administrator of the City, one of whom shall be an elected official (together, the “*Designated Representatives*”), are hereby authorized to proceed not later than January 19, 2022, without any further authorization or direction from the City 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 the Bonds to Robert W. Baird & Co. Incorporated, Naperville, Illinois, the purchaser thereof (the “*Purchaser*”) upon receipt of the purchase price therefor, the same being not less than 98.00% of the principal amount (or Original Principal Amount with respect to the CABs) of the Bonds (exclusive of original issue discount), plus accrued interest, if any, to date of delivery (the

“Purchase Price”), it being hereby found and determined that the sale of the Bonds to the Purchaser is in the best interests of the City 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. The Bond Notification shall include an allocation of the Purchase Price between the Refunding Bonds and the Project Bonds.

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 (i) 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, (ii) 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 and (iii) for the Refunding Bonds, the refunding of the Refunded Bonds provides net present value debt service savings to the City in an amount not less than 10.0% of the original principal amount of the Refunded Bonds.

The Bond Notification shall be entered into the records of the City and made available to the City Council at the next regular meeting thereof; but such action shall be for information purposes only, and the City 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, the Designated Representatives and any other officers of the City, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, any contracts 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 City Council are hereby authorized to take any action as may be required on the part of the City to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Official Statement, the Official Statement and the 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 2020 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 deposits described 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 Refunding Bonds, the principal proceeds of the Refunding Bonds, together with any premium received from the sale of the Refunding 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. That portion thereof not needed to pay such costs of issuance will either be deposited (i) with the paying agent for the Prior Bonds (the "*Prior Paying Agent*"), and be held in cash thereby, or (ii) in escrow pursuant to an Escrow Agreement to be entered into between the City and Amalgamated Bank of Chicago, Chicago, Illinois (or such other bank or trust company as set forth in the Bond Notification), 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 as such become due as provided in the Escrow Agreement. The City 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, Speer Financial, Inc., the City's financial advisor, and the Purchaser are each hereby authorized to act as agent for the City in the purchase of the Government Securities.

The sale proceeds of the Project Bonds shall be used to pay the costs of the Project and costs of issuance of the Bonds and that portion thereof not needed to pay such costs of issuance is hereby ordered deposited into a separate and segregated account of the City, hereby created, and to be known as the “2021 Project Fund” (the “Project Fund”) and used, as necessary, to pay costs of the Project. Monies on deposit in and to the credit of the Project Fund shall be disbursed from time to time as needed by the Treasurer, without further official action or direction of the City Council, in accordance with normal City procedures for disbursements of corporate funds for capital projects. Upon the completion of the Project, as certified to the City Treasurer by the architect or engineer in responsible charge of the Project, remaining funds, if any, on deposit in and to the credit of the Project Fund shall be transferred by the City Treasurer, without further official action of or direction by the City Council, to the Bond Fund. Monies on deposit in and to the credit of Project Fund may be invested by the City Treasurer in any investments for City funds as may be from time to time authorized under Illinois law, without further official action of or direction by the City Council.

Without further official action of or direction by the City Council if necessary to ensure the timely payment of principal of and interest on the Bonds, monies on deposit in the Project Fund may be transferred by the City Treasurer at any time to the Bond Fund in anticipation of the collection of Pledged Taxes. Any amount so transferred shall be immediately repaid upon the collection of such Pledged Taxes.

At the time of issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the City from the proceeds of the Bonds.

Section 14. Call of the Refunded Bonds. In accordance with the redemption provisions of the Refunded Bonds, the City 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 and payment prior to maturity on December 1, 2021.

Section 15. Non-Arbitrage and Tax-Exemption. The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code, or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service (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 City 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 City Council and as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be exempt from federal income taxation. In connection therewith, the City and the City Council further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and

assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, advisors, attorneys and other persons to assist the City in such compliance.

Section 16. Designation of Issue. If so set forth in the Bond Notification, the City may designate any of the Bonds as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code.

Section 17. Rights and Duties of Bond Registrar. If requested by the Bond Registrar or the Bond Registrar, or both, any officer of the City is authorized to execute standard forms of agreements between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder. In addition to the terms of such agreements and subject to modification thereby, the Bond Registrar by acceptance of duties hereunder agree:

- (a) to act as bond registrar, paying agent, authenticating agent, and transfer agent as provided herein;
- (b) as to the Bond Registrar, to maintain a list of Bondholders as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential to the extent permitted by law;
- (c) as to the Bond Registrar, to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;
- (d) as to the Bond Registrar, to furnish the City at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

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

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

Section 18. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the City to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds and other debt obligations of the City, the interest on which is excludable from “gross income” for federal income tax purposes or which enable the City or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds (including the Bonds, the “*Tax Advantaged Obligations*”). Further, it is necessary and in the best interest of the City that (i) the Board adopt policies with respect to record-keeping and post issuance compliance with the City’s covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least annually review the City’s Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations. The Board and the City hereby adopt the following Record-Keeping Policy and, in doing so, amend any similar Record-Keeping Policy or Policies heretofore adopted:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 19. Defeasance. Any Bond or Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums have been deposited with the Bond Registrar to pay all principal and interest due thereon, or (c) for which sufficient U.S. funds and direct U.S. Treasury 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 any other moneys deposited into the Bond Fund and investment income earned in the Bond Fund hereunder 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.

Section 20. Continuing Disclosure Undertaking. The Mayor and the City Treasurer are each hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the “*Continuing Disclosure Undertaking*”) in substantially the same form as now before the City Council, or with such changes therein as the individual executing the Continuing Disclosure Undertaking on behalf of the City shall approve, the official’s execution thereof to constitute conclusive evidence of the approval of such changes. 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 21. 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 on advice

of counsel, his approval to constitute full and complete acceptance by the City of such terms and provisions under authority of this Section.

Section 22. 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Section 23. 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.

AYES: _____

NAYS: _____

ABSENT: _____

ADOPTED: July 19, 2021

APPROVED: July 19, 2021

Mayor, City of Monmouth
Warren County, Illinois

Recorded in City Records: July 19, 2021.

ATTEST:

City Clerk, City of Monmouth
Warren County, Illinois

[SEAL]

EXHIBIT A

FORM OF ESCROW AGREEMENT

_____, 2021

Amalgamated Bank of Chicago
Chicago, Illinois

Re: City of Monmouth,
Warren County, Illinois
\$_____ General Obligation (Capital Appreciation) Refunding Bonds,
Series 2021A

Ladies and Gentlemen:

The City of Monmouth, Warren County, Illinois (the “City”), by an ordinance adopted by the City Council of the City (the “City Council”) on the 19th day of July, 2021 (as supplemented by a notification of sale of bonds dated _____, 2021, the “Bond Ordinance”), has authorized the issue and delivery of \$_____ General Obligation (Capital Appreciation) Refunding Bonds, Series 2021A, dated _____, 2021 (the “Bonds”). The City has authorized by the Bond Ordinance that proceeds of the Bonds be used to pay and redeem on December 1, 2021, all of the City’s outstanding and unpaid General Obligation Capital Appreciation Bonds, Series 2006, dated December 27, 2006 (the “Refunded Bonds”):

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

1. [Upon deposit, you are directed to hold the Deposit in an irrevocable trust fund account (the “Trust Account”) for the City to the benefit of the holders of the Refunded Bonds.] [Upon deposit, you are directed to purchase U.S. Treasury Securities State and Local Government Series Certificates of Indebtedness in the amount of \$_____ and maturing as described on *Exhibit A* hereto (the “Securities”). You are further instructed to fund a beginning cash escrow deposit on demand in the amount of \$_____. The beginning deposit and the Securities are to be held in an irrevocable trust fund account (the “Trust Account”) for the City to the benefit of the holders of the Refunded Bonds.]

2. [You shall hold the Deposit in the Trust Account in cash for the sole and exclusive benefit of the holders of the Refunded Bonds until redemption and payment of the Refunded Bonds on December 1, 2021, is made.] [You shall hold the Securities and any interest income or profit derived therefrom and any uninvested cash in the Trust

Account for the sole and exclusive benefit of the holders of the Refunded Bonds until redemption and payment of the Refunded Bonds on December 1, 2021, is made.]

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

4. The City has called the Refunded Bonds subject to redemption for redemption and payment prior to maturity on December 1, 2021. You are hereby directed to provide for and give or cause the Prior Paying Agent (as hereinafter defined) to give timely notice of the call for redemption of the Refunded Bonds. The form and time of the giving of such notice regarding the Refunded Bonds shall be as specified in the ordinance authorizing the issuance of the Refunded Bonds. The City agrees to reimburse you for any actual out-of-pocket expenses incurred in the giving of such notice, but the failure of the City to make such payment shall not in any respect whatsoever relieve you from carrying out any of the duties, terms or provisions of this Agreement.

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

6. You shall remit the sum of \$ _____ on December 1, 2021, to Amalgamated Bank of Chicago, Chicago, Illinois (the "Prior Paying Agent"), such sum being sufficient to pay the principal of and interest on the Refunded Bonds on such date, and such remittance shall fully release and discharge you from any further duty or obligation thereto under this Agreement.

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

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

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

Very truly yours,

CITY OF MONMOUTH,
WARREN COUNTY, ILLINOIS

By _____ SPECIMEN _____
Mayor

By _____ SPECIMEN _____
City Clerk

Accepted this ____ day of _____, 2021.

AMALGAMATED BANK OF CHICAGO,
Chicago, Illinois

By _____ SPECIMEN _____
Its _____

STATE OF ILLINOIS)
) SS
COUNTY OF WARREN)

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

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the City Council held on the 19th day of July, 2021, insofar as the same relates to the adoption of an ordinance, entitled:

AN ORDINANCE providing for the issuance of not to exceed \$13,650,000 General Obligation Bonds of the City of Monmouth, Warren County, Illinois, to finance one or both of the following:
(i) refunding certain outstanding bonds of said City and
(ii) waterworks and sewerage system improvements; providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on 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 City 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 City Council at least 72 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 72-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 of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code, as amended, and that the City 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 19th day of July, 2021.

City Clerk

[SEAL]

[Attach Exhibit A]

STATE OF ILLINOIS)
) SS
COUNTY OF WARREN)

CERTIFICATE OF FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Warren, Illinois, and as such officer I do hereby certify that on the ____ day of _____, 2021, there was filed in my office a properly certified copy of Ordinance Number _____, passed by the City Council of the City of Monmouth, Warren County, Illinois, on the 19th day of July, 2021 and entitled:

AN ORDINANCE providing for the issuance of not to exceed \$13,650,000 General Obligation Bonds of the City of Monmouth, Warren County, Illinois, to finance one or both of the following: (i) refunding certain outstanding bonds of said City and (ii) waterworks and sewerage system improvements; providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on said bonds, and authorizing the sale of said bonds to the purchaser thereof.

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 Warren, Illinois, this ____ day of _____, 2021.

County Clerk of The County of Warren, Illinois

[SEAL]