

ORDINANCE NO. 04

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION (LIMITED TAX) REFUNDING DEBT CERTIFICATES, SERIES 2013, OF THE CITY OF TROY, MADISON COUNTY, ILLINOIS, AND RELATED MATTERS**

**WHEREAS**, the City Council (the “**Corporate Authorities**”) of the City of Troy, Madison County, Illinois (the “**Issuer**”), in 2006 determined that it is advisable, necessary and in the Issuer’s best interests to provide for the acquisition, construction and installation of public street improvements, and related facilities, improvements and costs (the “**Project**”); and

**WHEREAS**, the Issuer is a non-home rule unit under the provisions of Section 7 (Counties and Municipalities other than Home Rule Units) of Article VII (Local Government) of the Constitution of the State of Illinois and has the authority under the Illinois Municipal Code (Section 5/1-1-1 *et seq.* of Chapter 65 of the Illinois Compiled Statutes, as supplemented and amended, including by the Registered Bond Act, the Bond Replacement Act, the Bond Authorization Act, and the Local Government Debt Reform Act, collectively, the “**Act**”); and

**WHEREAS**, the estimated cost of refinancing the Project as contemplated by this ordinance, and related costs and expenses, including legal, financial, printing and publication costs is anticipated to be paid from proceeds derived from and in respect of this ordinance; and

**WHEREAS**, pursuant to and in accordance with the Act and Ordinance No. 2006-21, adopted July 17, 2006 (the “**Prior Ordinance**”), the Issuer on July 24, 2006 issued its Limited Obligation (Limited Tax) Debt Certificates, Series 2006, in the aggregate principal amount of \$818,524.38 (to the extent outstanding, the “**Prior Obligations**”) for the purpose of providing funds to pay costs of the Project and related costs and expenses, and now anticipates issuing up to \$283,273.99 General Obligation (Limited Tax) Refunding Debt Certificates, Series 2013 (the “**Certificates**”), under this ordinance to refund (the “**Refunding**”) the Prior Obligations; and

**WHEREAS**, The First National Bank in Staunton, Staunton, Illinois (including its assigns, the “**Purchaser**”), has agreed to purchase the Certificates; and

**WHEREAS**, for convenience of reference only this ordinance is divided into numbered sections with headings, which shall not define or limit the provisions hereof, as follows:

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**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TROY, MADISON COUNTY, ILLINOIS, as follows:**

**Section 1. Authority and Purpose.** This ordinance is adopted pursuant to the Act for the purpose of refinancing the Project by the Refunding. Proceeds of the Certificates are hereby allocated for such purpose.

**Section 2. Authorization and Terms of Certificates.** For the purposes described above in Section 1, there is hereby allocated the sum of \$283,273.99, to be derived from the Certificates to finance the Refunding. For the purpose of financing such Refunding, Certificates of the Issuer shall be issued and sold, in an aggregate principal amount of not to exceed \$283,273.99, shall each be designated “**General Obligation (Limited Tax) Refunding Debt Certificate, Series 2013**”, and shall be issuable in the denominations of \$0.01 each or any authorized integral multiple thereof. The Certificates shall be numbered consecutively from 1 upwards in order of their issuance and may bear such identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of the Certificates. Unless otherwise determined in an order to authenticate the Certificates (as “**Authenticating Order**”, which may specify other Certificate terms and related terms and provisions, including but not limited to redemption provisions)), each Certificate shall be dated as of the date of issuance thereof. The Certificates shall mature or come due in the principal amount on the date in each of the years specified in an Authenticating Order and shall bear interest at the interest rate for each year, as follows:

<u>Year</u>	<u>Principal Amount(\$):</u>	<u>Interest Rate(%):</u>
2014	90,409.75	2.10
2015	94,357.28	2.10
2016	98,506.96	2.10

(a) Each Certificate shall bear interest from its date, or from the most recent interest payment date to which interest has been paid, computed on the basis of a 360-day year consisting of twelve 30-day months, and payable in lawful money of the United States of America on the date in each of the years specified in an Authenticating Order, at the rates per annum for each maturity or due date as above set forth. The principal of and premium, if any, on the Certificates shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the designated office of the City Treasurer, in Troy, Illinois, the Paying Agent for the Certificates (including its successors, the “**Paying Agent**”). Interest on the Certificates shall be payable on each interest payment date to the registered owners of record appearing on the registration books maintained by the City Treasurer, through the Issuer’s designated office in Troy, Illinois, the Registrar on behalf of the Issuer for such purpose

(including its successors, the “**Registrar**”), at the designated office of the Registrar, as of the close of business on the last day (whether or not a business day) of the calendar month next preceding the applicable interest payment date. Interest on the Certificates shall be paid by check or draft mailed to such registered owners at their addresses appearing on the registration books therefor. The Registrar shall not be required to transfer or exchange any Certificate during a period commencing the last day of the calendar month next preceding each interest payment date and ending on such interest date or during a period of fifteen (15) days next preceding the mailing of a notice of redemption of any Certificate which could designate all or a part of such Certificate for redemption or after such mailing. With notice to the Registrar 45 days before the designated redemption date (or lesser notice acceptable to the Registrar), the Certificates shall be subject to redemption prior to maturity at the times, in the manner, with the notice and with the effect set forth in the form of the Certificates in Section 4(b) below.

(b) Although the Certificate of each maturity or due date are authorized to mature and to bear interest at the rate or rates per annum, as set forth above, and have such other terms as herein provided, the Certificates are nevertheless hereby authorized to mature or come due in other principal amounts (not exceeding the aggregate principal amount set forth above) and to bear interest at such other rate or rates, be subject to redemption and have such other terms and provisions as either (i) the Mayor shall certify in an Authenticating Order at the time of delivery of the Certificates and payment therefor (with respect to which the term “**Authenticating Order**” shall mean, if at all, a Certificate signed by the Mayor, and attested by the City Clerk, under the Issuer’s seal, if any, setting forth and specifying details of the Certificates, including but not limited to interest rate or rates, interest and/or principal payment dates, original issue discount or premium, aggregate principal amount (but not to exceed the principal amount set forth above), the principal and interest coming due in each applicable payment period, the issuance of Certificates instruments in installment for in lieu of serial form or in serial form in lieu of installment form, as the case may be, any nominal or nominee party, optional and mandatory prepayment and redemption provisions, designation of a Paying Agent and/or Certificate Registrar and/or other fiscal agents, Purchaser, designation of Certificate purchasers, insurance or other credit facility or security, and investment restrictions, not otherwise inconsistent with this ordinance, and full authority is hereby given to the Mayor or City Treasurer to certify and specify such terms, without any further action by the Corporate Authorities than this Resolution), or (ii) the Corporate Authorities in supplemental proceedings shall approve, in either case other than as specifically set forth in this ordinance.

**Section 3. Sale and Delivery.** All acts and things done by officers of the Issuer in connection with the sale of the Certificates shall be and they are hereby in all respects ratified, confirmed and approved. The sale of the Certificates to the Purchaser by the Exchange shall be and is hereby authorized and approved.

The Mayor, City Clerk and other officials of the Issuer are hereby authorized and directed to do and perform, or cause to be done or performed, for or on behalf of the Issuer each and every thing necessary for the issuance of the Certificates, including the due and proper execution, delivery and performance of this ordinance and all related and incidental agreements, certificates, receipts and opinions, performance being conditioned upon payment of the full purchase price of the Certificates, an amount equal to 100% of par, plus accrued interest, if any.

**Section 4. Basic Provisions.**

(a) **Prior Ordinance.** The Prior Ordinance, upon issuance of the Certificates and the Refunding, is incorporated here and shall be given effect to the fullest extent practicable, such that “**Certificates**” herein is “**Certificates**” therein and “**General Obligation (Limited Tax) Debt Certificates, Series 2013**” herein is Limited Obligation (Limited Tax) Debt Certificates, Series 2006 therein, all as hereby amended. The Certificates are “**qualified tax-exempt obligations**”. All of the fund and accounts under the Prior Ordinance shall be continued as funds and accounts with respect to this ordinance and the Certificates.

(b) **Certificate Form.** The Certificate form shall be substantially as follows:

[The remainder of this page is intentionally left blank.]

REGISTERED NO. \_\_\_\_\_

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

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
THE COUNTY OF MADISON  
CITY OF TROY  
GENERAL OBLIGATION (LIMITED TAX) DEBT REFUNDING CERTIFICATE  
SERIES 2013

NUMBER: \_\_\_\_\_ FINAL MATURITY DATE: \_\_\_\_\_ INTEREST RATE: \_\_\_\_\_ INITIAL DATED DATE: \_\_\_\_\_ MAXIMUM PRINCIPAL AMOUNT\* \_\_\_\_\_  
Installment \_\_\_\_\_  
As set forth below with respect to each principal due date \*As and to the extent duly endorsed hereon as to any draw(s) or advance(s)

KNOW ALL BY THESE PRESENTS, that the City of Troy, Madison County, Illinois (the "Issuer"), for value received hereby promises to pay to the Registered Owner hereof as hereinafter provided, from the Issuer's general fund and otherwise legally available special funds, on and before the Final Maturity Date set forth above the Principal Amount set forth above, in annual principal installments on July 15 in each year, and bearing interest with respect to each annual principal installment amount, as follows:

<u>Year</u>	<u>Principal Amount(\$):</u>	<u>Interest Rate(%)</u>
2014		
2015		
2016		

, together with interest from the later of the Dated Date hereof or advance or draw, as the case may be, or from the most recent interest payment date to which interest has been paid, on the outstanding balance of the Principal Amount at the Interest Rate or Rates per annum as set forth above with respect to each annual principal installment, due and payable on the \_\_\_\_\_ day of each \_\_\_\_\_, commencing \_\_\_\_\_, as the case may be, following the Initial Dated Date hereof, computed on the basis of a year of twelve 30-day months, by check or draft of the Issuer in the amount of principal and interest aggregated as of each date above, mailed to the Registered Owner hereof, in lawful money of the United States of America at the address of the Registered Owner hereof as shown on the registration books of the Issuer maintained by the City Treasurer as the Certificate registrar (the "Registrar" and "Paying Agent") for such purpose to the Registered Owner of record hereof as of the close of business on the last day (whether or not a business day) of the calendar month immediately next preceding each interest payment date, at the address of such Registered Owner appearing on the registration books maintained for such purpose by the Issuer's City Treasurer, through such officer's principal office in Troy, Illinois, as Certificate Registrar (including its successors, the "Certificate Registrar").

This Certificate is one of the Issuer's Certificates authorized in the aggregate principal amount of \$ \_\_\_\_\_, which are all of like tenor, except as to maturity, and which are authorized and issued or drawn upon or to be issued or drawn upon by the Issuer under and pursuant to the Constitution and laws of the State of Illinois and pursuant to and in accordance with an authorizing ordinance adopted by the Issuer's City Council on \_\_\_\_\_, 2013, and entitled: AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION (LIMITED TAX) REFUNDING DEBT CERTIFICATES, SERIES 2013, OF THE CITY OF TROY, MADISON COUNTY, ILLINOIS, AND RELATED MATTERS (the "Ordinance," with respect to which undefined terms herein shall have the meanings therein, and including the Prior Ordinance as amended).

In connection with the foregoing obligations and debt, the Issuer has entered into the Installment Purchase Agreement and has entered into or will enter into one or more acquisition or construction contracts or purchase orders or agreements (each a "Contract") with sellers, service providers, vendors, or contractors, which Contracts are to be identified to the Installment Purchase Agreement. Each Certificate shall and does evidence the assignment by the Issuer of a proportionate undivided interest in the right to receive payments to be made by the Issuer under the Installment Purchase Agreement. The Certificates are payable solely from such payments as, when and if the same are made by the Issuer, which revenues are to be held and paid over to the Paying Agent in the manner and to the extent provided in the Ordinance and constitute a debt of the Issuer as an obligation and debt of the Issuer payable whether or not funds are duly appropriated or budgeted therefor and secured by a pledge of general fund revenues and other available funds therefor, as provided in the Ordinance, under Section 17 of the Local Government Debt Reform Act.

Certificates shall be subject to optional redemption and prepayment, as a whole or in part, on any date at the option of the Issuer, in the inverse order of maturity or the due date of principal with respect to any installment certificate on \_\_\_\_\_ at the price of par, plus accrued interest to the date of redemption.

This Certificate is transferable only upon the registration books therefor by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender hereof at the principal office of the Certificate Registrar in Staunton, Illinois, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or by such Registered Owner's duly authorized attorney, and thereupon a new registered Certificate or Certificates, in the authorized denominations of \$ \_\_\_\_\_ or any authorized integral multiple thereof and of the same aggregate principal amount as this Certificate, shall be issued to the transferee in exchange therefor. In like manner, this Certificate may be exchanged for an equal aggregate principal amount of Certificates of any authorized denomination. The Certificate Registrar shall not be required to exchange or transfer any Certificate during the period from the last day of the calendar month next preceding any interest payment date to such interest payment date, nor to transfer or exchange any Certificate after notice calling such Certificate has been mailed nor during a period of fifteen (15) days next preceding the mailing of a notice of redemption which could designate all or a part of any Certificate for redemption. The Certificate Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this certificate. No other charge shall be made for the privilege of making such transfer or exchange. The Issuer, the Certificate Registrar and the Paying Agent may treat and consider the person in whose name this Certificate is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, premium, if any, and interest due hereon and for all other purposes whatsoever, and all such payments so made to such Registered Owner or upon such Registered Owner's order shall be valid and effectual to satisfy and discharge the liability upon this Certificate to the extent of the sum or sums so paid, and neither the Bank nor the Registrar or the Paying Agent shall be affected by any notice to the contrary.

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

The Issuer has designated this Certificate, and each of the series of which it is one, as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this Certificate in order to make it a legal, valid and obligation and debt of the Issuer as herein provided have been done, exist and have been performed in regular and due time, form and manner as required by law.

**IN WITNESS WHEREOF**, the City of Troy, Madison County, Illinois, has caused this Certificate to be executed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its City Clerk, all as of the Dated Date set forth above.

(SEAL)

**CITY OF TROY,**  
Madison County, Illinois

Attest:

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

\_\_\_\_\_  
Mayor

**CERTIFICATE OF AUTHENTICATION**

Dated: \_\_\_\_\_

This is one of the General Obligation (Limited Tax) Refunding Debt Certificates, Series 2013, of the City of Troy, Madison County, Illinois, related to the Installment Purchase Agreement by and between the Issuer and the nominee Seller under the Installment Purchase Agreement.

**CITY TREASURER,**  
Troy, Illinois, as Registrar

**Registrar and** City Treasurer  
**Paying Agent:** Troy, Illinois

By: \_\_\_\_\_  
Authorized Signer

**ASSIGNMENT**

For value received the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
[Name, Address and Tax Identification Number of Assignee]

the within Certificate and hereby irrevocably constitutes and appoints \_\_\_\_\_  
attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

Signature Guarantee:

\_\_\_\_\_  
(Name of Eligible Guarantor Institution as defined by SEC  
Rule 17 Ad-15 (17 CFR 240.1 Ad-15))

Notice: The signature on this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Certificate in every particular, without alteration or enlargement or any change whatever.

The foregoing form of Certificate may be modified in any manner not inconsistent with the authorizing ordinance therefor. The opinion of bond counsel shall be conclusive in that connection.



Upon motion by Alderman Sam Italiano, seconded by  
Alderman Gerald Lananan, adopted this 3rd day of June,  
2013, by roll call vote, as follows:

Ayes (names): Alderman James DeCarli, Jay Evans,  
Regina Henderson, Sam Italiano, Gerald  
Lananan, Mayor Allen Adamite

Nays (names): None

Absent, Etc. (names): Aldermen Tim Greenfield, Dan Jackson  
Doug Hartney

APPROVED: June 3, 2013

(SEAL)

Attest:

Jamie Myers  
City Clerk

Allen Adamite  
Mayor



(c) **Bank Qualified.** Pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Issuer hereby designates the Certificates as “**qualified tax-exempt obligations**” as defined in such Section 265(b)(3). The Issuer represents that the reasonably anticipated amount of tax-exempt obligations that will be issued by the Issuer and all subordinate entities of the Issuer during the calendar year in which the Certificates are issued will not exceed \$10,000,000 (and also reasonably expects not to exceed \$5,000,000 under Section 148(f)(D) of the Illinois Revenue Code of 1986, as amended) within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Issuer covenants that it will not so designate and issue more than \$10,000,000 aggregate principal amount of tax-exempt obligations in such calendar year. For purposes of this subsection (c), the term “**tax-exempt obligations**” includes “**qualified 501(c)(3) Bonds**” (as defined in the Section 145 of the Internal Revenue Code of 1986, as amended) but does not include other “**private activity bonds**” (as defined in Section 141 of the Internal Revenue Code of 1986, as amended).

(d) **Ordinance a Contract/Severability.** The provisions of this ordinance, together with the Prior Ordinance’s applicable provisions, shall constitute a contract between the Issuer and the registered owners of the Certificates. Any pledge made in this ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the owners of any and all of the Certificates. All of the Certificates, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the Certificates over any other thereof except as expressly provided in or pursuant to this ordinance. This ordinance and the Act shall constitute full authority for the issuance of the Certificates, and to the extent that the provisions of this ordinance conflict with the provisions of any other ordinance or resolution of the Issuer, the provisions of this ordinance shall control. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

(e) **Conflict and Repeal.** All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed to the extent of such conflict, and this ordinance shall be in full force and effect forthwith upon its adoption.

(f) **Effective Date.** This ordinance shall become effective immediately after its adoption and approval.

[The remainder of this page is intentionally left blank.]

STATE OF ILLINOIS            )  
  )  
THE COUNTY OF MADISON    )

SS.

**CERTIFICATION OF ORDINANCE**

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Troy, Madison County, Illinois (the “**Municipality**”), and that as such official I am the keeper of the records and files of the Municipality and the City Council (the “**Corporate Authorities**”).

I do further certify that the foregoing is a full, true and complete excerpt from the proceedings of the meeting of the Corporate Authorities held on the \_\_\_\_ day of \_\_\_\_\_, 2013, insofar as the same relates to the adoption of an ordinance numbered and entitled:

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF  
GENERAL OBLIGATION (LIMITED TAX) REFUNDING  
DEBT CERTIFICATES, SERIES 2013, OF THE CITY OF  
TROY, MADISON COUNTY, ILLINOIS, AND RELATED  
MATTERS,**

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

I do further certify that the deliberations of the Corporate Authorities on the adoption of such ordinance were conducted openly, that the vote on the adoption of such ordinance was taken openly and was preceded by a public recital of the matter being considered and such other information as would inform the public of the business being conducted, that such meeting was held at a specified time and place convenient to the public, that notice of such meeting was duly given to all of the news media requesting such notice, that the agenda for the meeting was duly posted at the City Hall and on the Issuer’s website at least 48 hours prior to the meeting, that such meeting was called and held in strict compliance with the provisions of the open meetings laws of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code of the State of Illinois, as amended, and that the Corporate Authorities have complied with all of the procedural rules of the Corporate Authorities.

**IN WITNESS WHEREOF**, I hereunto affix my official signature, this \_\_\_\_ day of \_\_\_\_\_, 2013.

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