

August 18, 2016

Council
City of Decatur
Macon County, Illinois

Busey Bank
Decatur, Illinois

Ladies and Gentlemen:

We hereby certify that we have examined a certified copy of the proceedings (the “*Proceedings*”) of the Council of the City of Decatur, Macon County, Illinois (the “*City*”), passed preliminary to the issue by the City of its fully registered Promissory Note (the “*Note*”), to the maximum amount of \$7,500,000, of which \$-0- has previously been issued and drawn under the Term Loan Agreement (the “*Agreement*”), dated as of the date hereof, between the City and Busey Bank, Decatur, Illinois, and \$50,000 is issued and drawn under the Agreement as of this date (the aggregate amount issued and drawn as of this date being the “*Outstanding Principal Amount*” of the Note). The Note bears interest at the rate of 2.85% per annum. The Note shall mature in semi-annual principal installments, payable on February 15 and August 15 of each year (commencing February 15, 2017) with each principal installment equal to \$535,714.28 (without regard to any payments or prepayments thereof), except that the final installment shall be in the amount of all principal not sooner paid and shall be due and payable on August 15, 2023. The Note is subject to prepayment as provided in the Agreement.

We have examined form of the Note and find the same in due form of law. We are of the opinion that the Proceedings show lawful authority for the issuance of the Note to the amount of the Outstanding Principal Amount under the laws of the State of Illinois now in force.

In our opinion the Note to the Outstanding Principal Amount is a valid and binding special revenue obligation of the City, payable solely from the Local MFT (as defined in the Agreement, which has been pledged by the City for the payment of the Note), except that the rights of the owner of the Note and the enforceability of the Note may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The City is not obligated to levy a separate tax in addition to other City taxes or levy a special tax unlimited as to rate or amount to pay the principal and interest due on the Note.

It is our opinion that, subject to the City’s compliance with certain covenants, under present law, interest on the Outstanding Principal Amount of the Note is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of

Chapman and Cutler LLP

tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such City covenants could cause interest on the Outstanding Principal Amount of the Note to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Notes. Ownership of the Note may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Note.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Note.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion, and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.



KKost:kd

August 18, 2016

Council
City of Decatur
Macon County, Illinois

Busey Bank
Decatur, Illinois

Ladies and Gentlemen:

We hereby certify that we have examined a certified copy of the proceedings (the “*Proceedings*”) of the Council of the City of Decatur, Macon County, Illinois (the “*City*”), passed preliminary to the issue by the City of its fully registered Promissory Note (the “*Note*”), to the maximum amount of \$2,200,000, of which \$-0- has previously been issued and drawn under the Term Loan Agreement (the “*Agreement*”), dated as of the date hereof, between the City and Busey Bank, Decatur, Illinois, and \$50,000 is issued and drawn under the Agreement as of this date (the aggregate amount issued and drawn as of this date being the “*Outstanding Principal Amount*” of the Note). The Note bears interest at the rate of 2.85% per annum. The Note shall mature in semi-annual principal installments, payable on February 15 and August 15 of each year (commencing February 15, 2017) with each principal installment equal to \$157,142.85 (without regard to any payments or prepayments thereof), except that the final installment shall be in the amount of all principal not sooner paid and shall be due and payable on August 15, 2023. The Note is subject to prepayment as provided in the Agreement.

We have examined form of the Note and find the same in due form of law. We are of the opinion that the Proceedings show lawful authority for the issuance of the Note to the amount of the Outstanding Principal Amount under the laws of the State of Illinois now in force.

In our opinion the Note to the Outstanding Principal Amount is a valid and binding obligation of the City, from any funds of the City legally available for such purpose, except that the rights of the owner of the Note and the enforceability of the Note may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The City is not obligated to levy a separate tax in addition to other City taxes or levy a special tax unlimited as to rate or amount to pay the principal and interest due on the Note.

It is our opinion that, subject to the City’s compliance with certain covenants, under present law, interest on the Outstanding Principal Amount of the Note is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of

Chapman and Cutler LLP

tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such City covenants could cause interest on the Outstanding Principal Amount of the Note to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Note may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Note.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Note.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion, and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Chapman and Cutler LLP

KKost:kd

STATE OF ILLINOIS)
) SS
COUNTY OF MACON)

GENERAL AND PRELIMINARY CERTIFICATE

We, the undersigned, do hereby certify that we are the officers of the City of Decatur, Macon County, Illinois (the “City”), whose names and offices are, respectively, as follows:

| NAME OF OFFICER | OFFICE HELD |
|-------------------|----------------|
| Julie Moore-Wolfe | Mayor |
| Debbie Bright | City Clerk |
| Gregg D. Zientara | City Treasurer |

As such officials we do further certify as follows:

1. The City was organized and incorporated on or about the year 1836, under and pursuant to the provisions of a special charter granted by the State of Illinois. Since said date of incorporation, and except as hereinafter expressly noted, the City has continuously operated pursuant to and in accordance with the provisions of the general laws of the State of Illinois, and its governing body consists of a Council (the “*Corporate Authorities*”) who are hereinafter specifically named. Since said date of organization, except as hereinafter expressly noted, the City has never changed its form of government, and the City is presently operated in accordance with and pursuant to the provisions of the Illinois Municipal Code, and all acts amendatory thereof and supplementary thereto (the “*Code*”) and pursuant to Section 6 of Article VII of the Illinois Constitution, granting powers to home rule units; and, in the event of conflict between the provisions of the Code and home rule powers, the home rule powers shall be deemed to supersede the provisions of the Code.

2. The City has a population as estimated and shown on Schedule A to this certificate, attached hereto and incorporated herein at all places where referred to by this reference (“*Schedule A*”).

3. The City is wholly located in The County of Macon, Illinois. The Election Authority in Macon County is the Macon County Clerk.

4. Due to its population the City is a “*home rule unit*” pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, and no petition asking or proceeding providing that a referendum concerning the status of the City as a home rule unit be submitted to the voters of the City has ever been filed.

5. The City has not adopted and is not now operating under the provisions of Article 4 of the Code providing for “The Commission Form of Municipal Government”; has adopted and is now operating under the provisions of Article 5 of the Code providing for “The Managerial Form of Municipal Government”; and has not adopted and is not now operating under the provisions of Articles 6, 14 and 18 of the Election Code providing for and being known as “*The City Election Law.*”

6. The *Decatur Herald-Review* is a local, community newspaper published in and having a general circulation within the City.

7. The present governing body of the City is composed of a duly qualified and elected Mayor and six Council Members, and additional officers include a City Clerk, a City Manager, a City Treasurer and a Corporation Counsel, all of whose names and terms are as shown on Schedule A.

8. All of said officers of the City as hereinabove described have been duly elected and qualified for their respective offices, and all of said officers are now in lawful incumbency of their respective offices and, provided there are no vacancies created by

resignation or otherwise, will constitute the duly elected and qualified officials of the City until May, 2017.

9. Changes in the boundaries of the City since March 19, 2014, which have involved parcels of land either larger than 25 acres or of an equalized assessed value greater than \$1,000,000 are shown on Schedule A. No petition has been filed or is now pending praying the disconnection of any territory from the present corporate limits of the City.

10. The regular meetings of the Corporate Authorities are held on the days and dates and at the location ("*City Hall*") and address as shown on Schedule A, which address is properly located within the City. The Corporate Authorities have given public notice of the schedule of regular meetings, stating the regular dates, times, and places of said meetings for the current year, by posting a copy of said public notice at City Hall, which is the principal office of the Corporate Authorities, on or before the beginning of the current calendar or applicable fiscal year of the City, and by supplying copies of said public notice on or before the last mentioned date to all of the local newspapers, radio or television stations, and other news media that have filed a request for such notice, as hereinafter named; and the Corporate Authorities have made said schedule available to the public.

11. All of the newspapers, radio or television stations and other news media that have filed a request for notice of the meetings of the Corporate Authorities pursuant to the Open Meetings Act of the State of Illinois, as amended, are as shown on Schedule A.

12. There is not now pending or threatened any litigation affecting or questioning in any manner whatsoever the corporate organization or existence of the City, its boundaries, the right or title of any of its officials, as hereinabove described, to their respective terms of office, the right of the City to levy taxes for corporate purposes,

to issue general obligation bonds in the exercise of its home rule powers, or to issue debt instruments of any kind.

13. The City has no procedural ordinance, resolution, rule, bylaw, custom or standing order, whether incorporated into the City Code or otherwise, which alters or amends the provisions of the Code insofar as such pertain to any of the following:

- (a) the calling and holding of meetings of the Corporate Authorities;
- (b) the introduction and adoption of ordinances or resolutions; or
- (c) the issuance of bonds of the City as general obligations;

except as follows:

On the 25th day of February, 1982, the Corporate Authorities did adopt an ordinance determining the procedures to be followed in the borrowing of money for public purposes of the City and in evidence of such borrowing the issuing of full faith and credit bonds of the City without referendum approval, such ordinance being entitled:

ORDINANCE NO. 82-22

AN ORDINANCE establishing procedures to be followed in incurring indebtedness for corporate purposes, issuing bonds to evidence such indebtedness and directing the levying of taxes, without limit as to rate or amount, for the purpose of paying principal and interest on such bonds as the same become due.

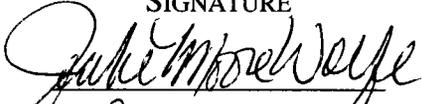
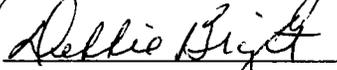
14. The Corporate Authorities do not require the laying over of ordinances or resolutions.

15. Ordinances making appropriations of the City are customarily published in pamphlet form by authority of the Corporate Authorities and are immediately in full force and effect upon such publication.

WITNESS

In witness whereof we have hereunto affixed our official signatures and the seal of the City this 15th day of August, 2016, as appearing below.

| NAME | OFFICE |
|-------------------|----------------|
| Julie Moore-Wolfe | Mayor |
| Debbie Bright | City Clerk |
| Gregg D. Zientara | City Treasurer |

| SIGNATURE |
|---|
|  |
|  |
|  |

[SEAL]

**SCHEDULE A
TO
GENERAL AND PRELIMINARY CERTIFICATE
INFORMATION AND INCUMBENCY**

1. Population: 76,122 (2010 Census)

RESPONSIVE TO PARAGRAPH 7:

| <u>OFFICE</u> | <u>INCUMBENT</u> | <u>TERM</u> | |
|---------------------|--------------------|--------------|-------------|
| | | <u>BEGAN</u> | <u>ENDS</u> |
| Acting Mayor | Julie Moore-Wolfe | 2015 | 2017 |
| Council Member | Jerry J. Dawson | 2013 | 2017 |
| Council Member | Bill Faber | 2015 | 2019 |
| Council Member | Lisa Gregory | 2015 | 2019 |
| Council Member | Pat McDaniel | 2013 | 2017 |
| Council Member | Dana M. Ray | 2015 | 2019 |
| Council Member | Chris Funk | 2015 | 2017 |
| City Manager | Tim Gleason | At will | |
| City Clerk | Debbie Bright | 2015 | 2019 |
| City Treasurer | Gregg D. Zientara | 2015 | 2019 |
| Corporation Counsel | Wendy L. Morthland | At will | |

RESPONSIVE TO PARAGRAPH 9:

All such annexations are enumerated as follows or, if none, then the word “none” has been entered:

NONE

RESPONSIVE TO PARAGRAPH 10:

Regular meetings: Held on: The first, third and any fifth Monday of each month.
 At time: 5:30 p.m.

 Held at: City Council Chambers
 Decatur Civic Center
 One Gary K. Anderson Plaza
 Decatur, Illinois

RESPONSIVE TO PARAGRAPH 11:

Media requesting: *Decatur Tribune, Decatur Herald & Review*

STATE OF ILLINOIS)
) SS
COUNTY OF MACON)

CERTIFICATE OF CORPORATION COUNSEL RE CITY CODE

I, Wendy L. Morthland, do hereby certify that I am the Corporation Counsel for the City of Decatur, Macon County, Illinois (the “City”). I do further certify that I have reviewed the Code of Ordinances of the City, the journal of proceedings, books, records, minutes and files of the City and of the Council (the “Corporate Authorities”) of the City and that, from such review, I am of the opinion that:

1. The Corporate Authorities have taken no action to modify the provisions of the Illinois Municipal Code, as amended, with respect to the calling, holding, or giving of notice of regular or special meetings.

2. The Corporate Authorities have taken no action to modify the provisions of said Illinois Municipal Code with respect to the introduction and passage of resolutions or ordinances.

3. The Corporate Authorities do not require the laying over of resolutions or ordinances.

4. The Corporate authorities exercise their power to issue general obligation bonds pursuant to the following procedural ordinances, resolutions or rules:

On the 25th day of February, 1982, the Council did adopt an ordinance determining the procedures to be followed in the borrowing of money for public purposes of the City and in evidence of such borrowing the issuing of full faith and credit bonds of the City without referendum approval, such ordinance being entitled:

ORDINANCE NO. 82-22

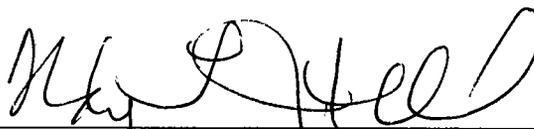
AN ORDINANCE establishing procedures to be followed in incurring indebtedness for corporate purposes, issuing bonds to evidence such indebtedness and directing the levying of taxes, without limit as to rate or amount, for the purpose of paying principal and interest on such bonds as the same become due.

5. Except as set forth in Paragraph 4 above, the Corporate Authorities have taken no action to modify or restrict the powers of the City as a home rule unit with respect to the issuance of general obligation bonds or the levy of unlimited ad valorem taxes in connection therewith.

IN WITNESS WHEREOF I have hereunto affixed my official signature, this 15th day of August, 2016.

Wendy L. Morthland, Esq.
Corporation Counsel

IN WITNESS WHEREOF I have hereunto affixed my official signature, this 15th day of August, 2016.

A handwritten signature in black ink, appearing to read "Wendy L. Morthland", written over a horizontal line.

Wendy L. Morthland, Esq.
Corporation Counsel

STATE OF ILLINOIS)
) SS
COUNTY OF MACON)

CERTIFICATE RE: CITY PROCEDURES

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

I do further certify that attached hereto is a true, correct and complete copy of all the ordinances, code provisions or Ordinances, codified as the “Decatur City Code,” pertaining to the procedures to be followed in the holding of meetings of the Corporate Authorities.

I do further certify that the City has no ordinance, resolution, code provision, standing rule of procedure or regulation relating to the issuance of general obligation bonds without referendum, except as follows:

On the 25th day of February, 1982, the Corporate Authorities did adopt an ordinance determining the procedures to be followed in the borrowing of money for public purposes of the City and in evidence of such borrowing the issuing of full faith and credit bonds of the City without referendum approval, such ordinance being entitled:

ORDINANCE NO. 82-22

AN ORDINANCE establishing procedures to be followed in incurring indebtedness for corporate purposes, issuing bonds to evidence such indebtedness and directing the levying of taxes, without limit as to rate or amount, for the purpose of paying principal and interest on such bonds as the same become due.

All as appears from the books and records in my custody.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the
City this 15th day of August, 2016.



Debra J. Dwyer

City Clerk

[SEAL]



CHAPTER 51.4

LOCAL MOTOR FUEL TAX

(ADOPTED, Ordinance 2016-08, February 16, 2016)

1. DEFINITIONS. Whenever used herein, unless context otherwise requires, the following words, terms or phrases shall have the meaning ascribed to them in this section:

(a) Bulk user- any person who purchases motor fuel for storage in bulk storage facilities located within the City, which facilities are owned, leased, or controlled by the person for subsequent dispensing into the supply tanks of internal combustion engines operated by the person.

(b) Diesel Fuel-any product intended for use or offered for sale as a fuel for engines in which the fuel is injected into the combustion chamber and ignited by pressure without electric spark. Such fuel shall not include dyed diesel fuel as defined in 35 ILCS 505/4d and any successor statute.

(c) Gallon-in addition to its ordinary meaning, its equivalent in a capacity of measurement of substance in a gaseous state.

(d) Motor fuel-all volatile and inflammable liquid produced, blended, or compounded for the purpose of, or which are suitable or practicable for, operating motor vehicles.

(e) Motor fuel retailer- any person as defined herein, engaged in the business of selling motor fuel at retail, and not for resale within the City of Decatur.

(f) Motor fuel tax- the tax imposed under this Chapter.

(g) Motor vehicles-motor vehicles as defined by the Illinois Vehicle Code and watercraft propelled by an internal combustion engine.

(h) Person-any individual, firm, trust, estate, partnership, association, joint stock company, joint adventure, corporation, limited liability company, or a receiver, trustee, guardian, or other representative appointed by order of any court, or any city, town, county or other political subdivision.

(i) Retail gasoline dealer-any person who engages in the business of selling motor fuel in the City to a purchaser for use or consumption, and not for resale in any form.

(j) Sale, resale or selling-any transfer of ownership or possession, or both, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever for valuable consideration.

2. IMPOSITION OF TAX.

(a) There is levied and imposed upon the privilege of using or consuming motor fuel that is purchased at retail or bulk within the corporate limits of the City, a motor vehicle fuel tax, irrespective of the unit of measure in which it is actually sold, at a the rate of five cents (\$0.05) per gallon for non-diesel fuel from and after April 1, 2016.

(b) There is levied and imposed upon the privilege of using or consuming motor fuel that is purchased at retail or bulk within the corporate limits of the City, a motor vehicle fuel tax, irrespective of the unit of measure in which it is actually sold, at a rate of one cent (\$0.01) per gallon for diesel fuel from and after April 1, 2016.

(c) The tax herein levied shall be paid in addition to any and all other taxes and charges. The tax herein imposed is not based on the selling or purchase price or gross receipts from the sale or purchase of motor fuel.

(d) The ultimate incident of and liability for payment of the tax is to be borne by the purchaser of motor fuel. Nothing in this Chapter shall be construed to impose a tax upon the occupation of persons engaged in the sale of motor fuel.

(e) Each motor fuel retailer is required to collect the tax from the purchaser and remit it as set forth in this Chapter.

3. COLLECTION BY RETAIL GASOLINE DEALERS.

(a) All retail gasoline dealers shall jointly and severally have the duty to collect, and shall collect and account for the tax imposed in Section 2 of this Chapter from each purchaser at the time that the consideration for such purchase is paid.

(b) Each retail gasoline dealer collecting and accounting for such tax shall be the trustee for and on account of the City of Decatur.

4. REQUIRED RETURNS AND REMITTANCE OF TAX.

(a) All retail gasoline dealers shall pay to the City all taxes collected pursuant to this Chapter.

(b) All retail gasoline dealers shall file a sworn monthly return with the Finance Department of the City no later than the twentieth day of the calendar month next succeeding the month for which the return is made, a sum of money equal to the amount of motor fuel tax owing for the preceding month, accompanied by a sworn monthly return in a format prescribed by the

Finance Director containing such information as the Finance Director may reasonably require including, but not limited to all receipts from taxable purchases of motor fuel and the tax collected for such.

(c) Every bulk user shall file a sworn monthly return with the Finance Department no later than the twentieth day of the calendar month next succeeding the month for which the return is made, a sum of money equal to the amount of motor fuel tax owing for the preceding month, accompanied by a sworn monthly return in a format prescribed by the Finance Director containing such information as the Finance Director may reasonably require.

(d) Any person filing a timely return pursuant to this Section may retain One and Three quarters (1.75) percent of the tax they collect to be remitted with that return. This retention is allowed for the purpose of compensating for the costs incurred in complying with the duties and obligations set forth under this Chapter. If the return is not timely filed, no retention shall be allowed.

5. **IMPROPER COLLECTION.** If any retail gasoline dealer collects an amount upon a sale not subject to the tax imposed in this Chapter but which amount is purported to be the collection of such tax, or if a retail gasoline dealer collects an amount upon a sale greater than the amount of the tax so imposed thereon and does not for any reason refund the same to the purchaser who paid the same before filing the return for the period in which such occurred, such retail gasoline dealer shall account for and pay over those amounts to the City along with the tax properly collected.

6. **RECORDKEEPING AND INSPECTION OF RECORDS.**

(a) Each motor fuel retailer has a duty to maintain complete and accurate books, records, and accounts showing the gross receipts for the sale of motor fuel and the motor fuel taxes collected from purchasers and books, records and accounts related to such.

(b) Each bulk user has a duty to maintain complete and accurate books, records and accounts showing the amount of motor fuel purchased.

(c) The books, records, and accounts under this Section must be available in the City for examination and for audit by the City. Any examination by the City may be made only after reasonable notice and may be made only during customary business hours.

7. **REGISTRATION.** Each motor fuel retailer doing business in the City and each bulk user purchasing motor fuel for storage in bulk storage facilities in the City is required to register with the Finance Department on or before the later of (i) March 20, 2016 or (ii) twenty (20) days after commencing business as a motor fuel retailer or becoming a bulk user. The registration shall be in the form and manner as prescribed by the Finance Director.

8. USE OF MOTOR FUEL TAX. The revenue produced by the tax imposed in this Chapter shall be restricted in use to the construction and maintenance of municipal streets and extensions, sidewalk repairs and maintenance, curbing, grade separations and approaches and engineering services related to those above listed items.

9. PROMULGATION OF RULES. The Finance Director shall cause the provisions of this Chapter to be enforced and administered and in order to do so is authorized to promulgate and publish such rules and regulations and make such ruling and decisions not in conflict with this Chapter which he deems necessary to administer and enforce the provisions of this Chapter.

10. ENFORCEMENT. Payment and collection of the motor fuel tax may be enforced by action in any court or tribunal of competent jurisdiction and failure to collect, account for and pay over said tax shall be cause for revocation of any City license for such motor fuel retailer's location or such motor fuel retailer thereof in addition to any other penalty provided in this Chapter.

11. PENALTY.

(a) If for any reason any tax is not paid when due, a penalty at the rate of ten (10) percent per thirty (30) day period, or portion thereof, from the day of delinquency shall be added thereto and paid.

(b) In addition to the penalty as set forth in Section 10 (a) or elsewhere by law or ordinance, any motor fuel retailer operating without a certificate of registration or failing or omitting to pay said tax when due, or failing or omitting to collect, or to account for, or to pay over said tax, or failing to comply with said rules, regulations and rulings shall be fined not less than Two Hundred Fifty (\$250) Dollars nor more than Five Hundred (\$500) Dollars.

12. TERMINATION. This tax shall be in existence for no more than ten (10) years from the date of enactment and shall expire at the end of said ten year period without the necessity of further action by City Council or unless further affirmative action is taken by City Council to extend.

CITY COUNCIL MINUTES
Tuesday, February 16, 2016

On Tuesday, February 16, 2016, the City Council of the City of Decatur, Illinois, met in Regular Meeting at 5:30 p.m., in the Council Chambers, One Gary K. Anderson Plaza, Decatur, Illinois.

Mayor Julie Moore Wolfe presided; together with her being Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Bill Faber and Chris Funk. Seven members present. Mayor Julie Moore Wolfe declared a quorum present.

City Manager Tim Gleason attended the meeting as well.

Mayor Julie Moore Wolfe led the Pledge of Allegiance to the Flag.

This being the time for Appearance of Citizens, the following citizens appeared:

Steven Luker shared his concerns about the recent Herald & Review report that the City Manager was taken to St. Louis in a police vehicle. Mr. Luker also requested to know why he was denied a grant to repair his house.

Charlotte Pickett expressed her opposition to the Local Motor Fuel Tax. Ms. Pickett thought Decatur already had enough taxes. She suggested that the Motor Fuel Tax should all be the same and the money should be for roads only.

Russell Shulke read a statement regarding prior City mayors' actions.

NAACP President Dr. Jeanelle Norman read a letter of support on behalf of the NAACP for the former Police Chief Brad Sweeney. She urged Council to examine the termination of Mr. Sweeney.

Jeff Miller suggested an independent investigator look into the allegation surrounding former Police Chief Brad Sweeney and City Manager Tim Gleason to protect their reputation.

Vince Shaw requested the Council support the Ordinance for a Local Motor Fuel Tax for the purpose of road repair. He expressed the importance of everyone paying the tax regardless of where they live so it will lessen the burden on Decatur citizens and shifts the cost onto all users of Decatur City streets. He urges Council to pass the Ordinance so work could begin to repair the crumbling streets.

Tom Winholtz asked Council to not pass the Local Motor Fuel Tax because of the burden it will put on senior citizens.

Sherry Procarione asked Council to cut programs first before implementing the gas tax.

Joel Riley spoke in favor of the gas tax.

The minutes of February 1, 2016 City Council meeting were presented. Councilman Jerry Dawson moved the minutes be approved as written; seconded by Councilman Pat McDaniel, and on call of the roll, Councilmen Lisa Gregory, Pat

McDaniel, Dana Ray, Jerry Dawson, Bill Faber, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the motion carried.

This being the time set aside for unfinished business and there being none, Mayor Julie Moore Wolfe called for New Business.

This being the time set aside for Proclamations and Recognitions, a Proclamation was read by MacArthur High School student Artonia Dear proclaiming Decatur Boys & Girls Club Week, March 7 – 12, 2016.

2016-06 Ordinance Rezoning Property M-1 Intense Commercial/Light Industrial District and M-2 Heavy Industrial District to B-2 Commercial District 550 North Van Dyke Street, was presented.

Councilman Jerry Dawson moved the Ordinance do pass; seconded by Councilwoman Dana Ray.

Upon call of the roll, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Bill Faber, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the motion carried.

R2016-13 Resolution Authorizing the Execution of an Agreement and Purchase Order for SunGard Interface for Digital Ticket Program, was presented.

Councilman Jerry Dawson moved the Resolution do pass; seconded by Councilwoman Dana Ray.

Sherry Procarione asked Council to not go completely to a paperless ticket system.

Upon call of the roll, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Bill Faber, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the motion carried.

R2016-14 Resolution Authorizing the Execution of Agreement with the Macon County Circuit Clerk for the Digital Ticket Program, was presented.

Councilman Jerry Dawson moved the Resolution do pass; seconded by Councilwoman Dana Ray.

Upon call of the roll, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Bill Faber, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the motion carried.

R2016-15 Resolution Authorizing Professional Engineering Services Agreement to Crawford, Murphy & Tilly, Inc. for South Water Treatment Plant East Clarifiers Conversion Project, was presented.

Councilman Jerry Dawson moved the Resolution do pass; seconded by Councilwoman Dana Ray.

Keith Alexander gave a presentation to Council on the South Water Treatment Plant East Clarifiers Conversion Project. Mr. Alexander shared information about the water treatment purification process and the funding for the project. Ty Besalke with Crawford, Murphy & Tilly, Inc. (CMT) responded to Council questions regarding the claricone technology. Keith Alexander addressed Council questions about the selection of CMT. Mr. Alexander explained CMT has done several claricones and CMT does have experience in doing a project exactly like the one the City needs done. Councilman Pat McDaniel asked if there would have to be any more tax increases to do the project. Mr. Alexander believed the project can be afforded through the water rate increases already approved.

Upon call of the roll, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Bill Faber, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the motion carried.

R2016-16 Resolution Approving Expenditure for Caterpillar Wheel Loader Operator Compartment Roll Over Protection Structure (ROPS), was presented.

Councilman Jerry Dawson moved the Resolution do pass; seconded by Councilman Pat McDaniel.

Councilman Chris Funk inquired about the cabs deterioration. Public Works Director Rick Marley explained the equipment is used to load salt. If the City does not replace the roll over cages the City will not be able to use the equipment anymore; the equipment would be unsafe. The useful life may be extended four more years and the salvage value will be greater if the roll over cages are replaced.

Upon call of the roll, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Bill Faber, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the motion carried.

2016-07 Ordinance Annexing Territory – 11 Cloyds Drive, was presented.

Councilman Jerry Dawson moved the Ordinance do pass; seconded by Councilwoman Dana Ray.

Upon call of the roll, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Bill Faber, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the motion carried.

R2016-17 Resolution Authorizing an Agreement with Chastain & Associates, LLC for Preliminary Design of the Meadowlark Neighborhood Drainage Improvement Project, City Project 2016-01, was presented.

Councilman Jerry Dawson moved the Resolution do pass; seconded by Councilman Pat McDaniel.

Public Works Director Rick Marley responded to Councilwoman Lisa Gregory's inquiry about the project's timeline for construction. Mr. Marley explained the Master Plan described these projects in 2009, however, this project and others did not have funding. The Storm Water Utility fee was established in 2014 and the City is at a point where the work can begin on this project.

Upon call of the roll, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Bill Faber, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the motion carried.

R2016-18 Resolution Authorizing an Intergovernmental Cooperation Agreement with the Village of Long Creek and the Village of Mt. Zion, IL for Microsurfacing Projects, was presented.

Councilman Jerry Dawson moved the Resolution do pass; seconded by Councilwoman Dana Ray.

City Manager Tim Gleason addressed Sherry Procarione questions regarding what the project is for and why Mt. Zion was included. City Manager Tim Gleason stated microsurfacing is needed in these communities to improve the roadways. This is an agreement to maximize cost savings for the tax payers in each of these communities.

Upon call of the roll, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Bill Faber, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the motion carried.



2016-08 Ordinance Adding City Code Chapter 51.4 – Local Motor Fuel Tax, was presented.

Councilman Jerry Dawson moved the Ordinance do pass; seconded by Councilwoman Dana Ray.

City Manager Tim Gleason gave an overview of the proposed Local Motor Fuel Tax for the City of Decatur. The fuel tax would be .05 cents per gallon for non-diesel retail and bulk and then a .01 for diesel retail and bulk. The tax would go in effect on April 1, 2016. It would be dedicated to local roadway projects. A new line item has been created in the City budget to track the funds. There will be a new link on the City's website to track the funds and the work being done.

Councilwoman Lisa Gregory expressed it was important to her for the citizens to see where their money was going. Councilwoman Gregory proposed the language be used for Motor Fuel Tax was revenue produced by the tax imposed by this "Chapter shall be restricted in use to the construction and maintenance of municipal streets and extensions, sidewalk repairs and maintenance, curbing, grade separations and approaches and engineering services related to those above listed items". Councilwoman Gregory motioned that the language do pass; seconded by Councilman Jerry Dawson.

Upon call of the roll to approve the Amendment, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Bill Faber, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the motion carried.

Councilman Pat McDaniel inquired about the provision for an administrative cost. Corporation Counsel Wendy Morthland explained in Section 4. (d) there is an incentive of 1.75 percent of the tax if the people timely file the paperwork and remit the money. Finance Director Gregg Zientara said the 1.75 percent is the same as what the State allows. The money will be retained by the tax filer.

Councilman Pat McDaniel suggested a five year Sunset provision, he would go along with a ten year Sunset. Council had concerns about if the Sunset provision was too short it may be difficult to borrow money. Councilwoman Dana Ray suggested a 15 year Sunset. Councilman Bill Faber wanted to make sure the Council had the authority to resend the Ordinance at any time. Corporate Counsel Wendy Morthland explained Council could terminate the Ordinance at any time. The Council cannot bind future Councils from choosing to extend it either. Councilman Chris Funk wanted to understand what the community is getting and what the expectations were from the revenue. The Pavement Condition Index (PCI) rating is declining. Public Works Director Rick Marley explained Councilman Funk had identified the fact the PCI rating has declined and without any additional revenue it will continue to decline at the same rate or an increased rate. This money will allow us to do additional work. Mr. Marley will look into other surrounding cities PCI ratings and report back to Council. Councilman Funk encouraged people to call their legislators because of what the State of Illinois is not doing is costing citizens a lot of money. Mayor Julie Moore Wolfe preferred no Sunset at all. Mayor Moore Wolfe would like to see the roads begin to get fixed in 2016. Councilman Chris Funk would like to see the roads

repaired on a consistent basis in the future; he would go along with a 10 year Sunset. Councilman Pat McDaniel motioned to add "Section 12. TERMINATION. This tax shall be in existence for no more than ten (10) years from the date of enactment and shall expire at the end of said ten year period without the necessity of further action by City Council or unless further affirmative action is taken by City Council to extend"; seconded by Councilwoman Dana Ray.

Upon call of the roll to approve the added language, Councilmen Pat McDaniel, Dana Ray, Jerry Dawson, Chris Funk and Mayor Julie Moore Wolfe voted aye. Councilmen Lisa Gregory and Bill Faber voted nay. Five ayes and two nays. Mayor Julie Moore Wolfe declared the motion carried.

Public Works Director Rick Marley addressed Council questions about what amount of revenue would propel the road work forward. Mr. Marley explained he does not have the ability to forecast pavement conditions and the costs of construction. City Manager Tim Gleason explained he does not know what the revenue needed is either. Staff will assess the existing taxes each year. Councilman Bill Faber said he would be voting against the Motor Fuel Tax increase because he believes he has a better plan through a City Service fee.

Citizens:

Russell Shulke suggested both fuel and diesel should be increased the same amount.

Max Pressgrove shared his concerns about the heavy vehicles damaging the roads. Mr. Pressgrove suggested the Council look at other retail items they could raise taxes on rather than fuel.

Bruce Washburn inquired about the administrative fee for diesel fuel.

Vince Shaw said the administrative fee will be a very minute amount.

Sherry Procarione asked Council to not vote for the tax; make cuts first.

Lester Clymer believed a Motor Fuel Tax would let the people using the streets pay for them.

Motion as amended in Sections 8 and 12, upon call of the roll, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Chris Funk and Mayor Julie Moore Wolfe voted aye. Councilman Bill Faber voted nay. Six ayes and one nay. Mayor Julie Moore Wolfe declared the motion carried.

Mayor Julie Moore Wolfe called for Consent Calendar Items A through C and asked if any Council member wished to have an item removed from Consent Calendar. The Clerk read Items A - C:

- A. Receiving and Filing of Minutes of Boards
- B. 2016-09 Ordinance Amending City Code Chapter 52
- C. R2016-19 Resolution Accepting Bid for Water Inventory Materials, Water Services

Councilman Jerry Dawson moved Items A through C be approved by Omnibus Vote; seconded by Councilwoman Pat McDaniel, and on call of the roll, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Bill Faber, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the motion carried.

This being the time set aside for Other Business, Councilman Bill Faber would like to have a Study Session on the residency requirement for all new City workers on March 21, 2016.

There being no further business, Councilman Jerry Dawson moved the regular Council meeting be adjourned; seconded by Councilwoman Dana Ray, and on call of the roll, Councilmen Lisa Gregory, Pat McDaniel, Dana Ray, Jerry Dawson, Bill Faber, Chris Funk and Mayor Julie Moore Wolfe voted aye. Mayor Julie Moore Wolfe declared the Council meeting adjourned at 7:45 p.m.

Approved March 7, 2016
Debra G. Bright
City Clerk

EXTRACT OF MINUTES of the regular public meeting of the Council of the City of Decatur, Macon County, Illinois, held in the Council Chambers at City Hall, One Gary K. Anderson Plaza, in said City, at 5:30 p.m., on the 15th day of August, 2016.

* * *

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

Upon the roll being called, the following Council Members answered present: _____

*Councilmen Pat McDaniel, Dana Ray, Jerry Dawson,
Bill Jaker, Chris Junk, Lisa Gregory + Mayor Julie Moore Wolfe*

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

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

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

The Mayor announced that the next item of business before the Council was the consideration of an Ordinance providing for the issuance of a not to exceed \$7,500,000 Promissory Note to pay the costs of resurfacing and reconstructing local roads and streets within the City, providing for the security and for the payment of said note, confirming the sale thereof to Busey Bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents.

Whereupon the Mayor presented and explained, and there was incorporated into the record in full the following Ordinance:

ORDINANCE providing for the issuance of a not to exceed \$7,500,000 Promissory Note of the City of Decatur, Macon County, Illinois, to pay the costs of resurfacing and reconstructing local roads and streets within the City, providing for the security for and payment of said note, confirming the sale thereof to Busey Bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents.

(the "Note Ordinance").

Council Member Jerry Dawson moved and Council Member Pat McDaniel seconded the motion that the Note Ordinance as presented be adopted.

A Council discussion of the matter followed. During the Council discussion, the Mayor gave a public recital of the nature of the matter, which included a reading of the title of the Ordinance and statements (1) that the Ordinance provided for the issuance of a promissory note to Busey Bank for the purpose of paying the costs of resurfacing and reconstructing local roads and streets within the City, (2) that the note is issuable without referendum pursuant to the home rule powers of the City, (3) that the Ordinance provides for security for the note, namely, collections of the City's newly-enacted local motor fuel tax, (4) that the Ordinance provides many details for the note, including provision for the terms and form of the note, and (5) that the Ordinance authorizes the execution and delivery of a Term Loan Agreement and related documents. The Mayor directed that the roll be called for a vote upon the motion to adopt the Ordinance.

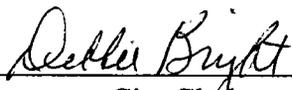
Upon the roll being called, the following Council Members voted AYE: Councilmen Pat McDaniel, Dana Ray, Jerry Dawson, Bill Tate, Lisa Stegou and Mayor Julius Moore Wolfe and the following Council Members voted NAY: _____.

Councilman Chris Funk abstained.

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

Other business was duly transacted at said meeting.

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



City Clerk

ORDINANCE providing for the issuance of a not to exceed \$7,500,000 Promissory Note of the City of Decatur, Macon County, Illinois, to pay the costs of resurfacing and reconstructing local roads and streets within the City, providing for the security for and payment of said note, confirming the sale thereof to Busey Bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents.

Adopted by the Council on the
15th day of August, 2016.

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ORDINANCE providing for the issuance of a not to exceed \$7,500,000 Promissory Note of the City of Decatur, Macon County, Illinois, to pay the costs of resurfacing and reconstructing local roads and streets within the City, providing for the security for and payment of said note, confirming the sale thereof to Busey Bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents.

* * *

WHEREAS, the City of Decatur, Macon County, Illinois (the “*City*”), is a duly organized municipality under the laws of the State of Illinois, operating generally under the Illinois Municipal Code, as amended; has a population in excess of 25,000 as determined by the last official census; and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois (the “*Constitution*”), the City is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs, including, but not limited to, the power to incur debt (the Illinois Municipal Code as supplemented and, where in conflict, superseded by said constitutional powers being the “*Act*”); and

WHEREAS, pursuant to the provisions of the Act, 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, the Council of the City (the “*Council*”) has considered the needs of the City and its residents, and has determined and does hereby determine that it is desirable and in the best interests of the City to pay the costs of resurfacing and reconstructing local roads and streets within the City (the “*Project*”); and

WHEREAS, the estimated cost of the Project is not less than the sum of \$7,500,000, plus the estimated available amount of interest earnings on said sum prior to expenditure; and

WHEREAS, the proper officers and officials of the City have negotiated with Busey Bank, Decatur, Illinois (the “*Bank*”), for a loan authorization to be made available by the Bank to the City in the form of loans in an aggregate principal amount not to exceed \$7,500,000; and

WHEREAS, as a condition precedent to the extension of credit or financial accommodations from the Bank to the City, the Bank requires that the City enter into a Term Loan Agreement with the Bank setting forth the terms and conditions applicable thereto (the “*Agreement*”); and

WHEREAS, the Council hereby expressly determines that it is advisable, necessary and in the best interests of the City that the City authorize the execution and delivery of the Agreement; and

WHEREAS, it is in the best interests of the inhabitants of the City and necessary for the government and affairs of the City also to authorize the issuance of a Promissory Note (the “*Note*”) to evidence the obligation to repay the principal of and interest on amounts drawn from time to time by the City under the Agreement:

NOW THEREFORE Be It and It Is Hereby Ordained by the Council of the City of Decatur, Macon County, Illinois, in the exercise of its home rule powers, as follows:

Section 1. Findings. The Council hereby finds and determines that (a) all of the recitals contained in the preambles to this Ordinance are full, true and correct and hereby incorporates them into this Ordinance by this reference; (b) this Ordinance is adopted pursuant to Section 6 of Article VII of the Constitution; (c) it is necessary and in the best interests of the City that the City adopt this Ordinance; (d) it is necessary and in the best interests of the City that the Agreement be executed and the Note be issued so as to pay the costs of the Project; and (e) the execution of the Agreement, the borrowing of money for the purposes authorized therein and the issuance of the Note are for proper public purposes and are in the public interest.

Section 2. Execution of the Agreement Authorized. The City is hereby authorized to enter into the Agreement with the Bank in substantially the form attached hereto as *Exhibit A*, provided, however, that in the event of any conflict between the terms and provisions of this Ordinance and the Agreement, the terms and provisions of this Ordinance shall in all events control. The Director of Finance be, and hereby is, authorized, empowered and directed to execute, and his or her execution thereof shall constitute conclusive evidence of the approval of any and all terms contained in the Agreement by the Council, and the City Clerk be, and hereby is, authorized, empowered and directed to attest the Agreement in the name, for and on behalf of the City, and thereupon to cause the Agreement to be delivered to the Bank. The Agreement (as executed) is entered into to provide for the loan of the proceeds of the Note to the City and the use of such proceeds as aforesaid and to pay the costs of issuing the Note, in the manner and with the effect therein provided. From and after the execution and delivery of the Agreement, 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 Agreement as executed; and the Agreement shall constitute, and hereby is made, a part of this Ordinance, and a copy of the Agreement shall be placed in the official records of the City, and shall be available for public inspection at the office of the City Clerk.

Section 3. The Note. The Note is hereby authorized to be issued as a drawdown note, shall be issued in the principal amount of not to exceed \$7,500,000 and shall mature on the date and bear interest at the rate and on the dates as set forth in the Agreement.

The form of the Note as attached as *Exhibit A* to the Agreement, subject to appropriate insertions and revisions in order to comply with the provisions of the Agreement (as executed and delivered) be, and the same hereby is, approved. The Note shall be executed in the name, for

and on behalf of the City with the signatures of Mayor and the City Clerk. When the Note shall be executed on behalf of the City in the manner contemplated by the Agreement and this Ordinance in a principal amount not to exceed \$7,500,000, it shall represent the approved form of Note of the City.

Section 4. Sale and Delivery of Note. The Note hereby authorized shall be executed as in this Ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the City Treasurer, and be by said City Treasurer delivered to the Bank upon receipt of the purchase price therefor, the same being the par amount of any Loan (as such term is defined in the Agreement); the contract for the sale of the Note heretofore entered into (the "*Purchase Contract*") is in all respects ratified, approved and confirmed, it being hereby found and determined that the Purchase Contract 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 Purchase Contract.

Any officer or official of the City as may be necessary is hereby authorized to execute such other documents, as may be necessary to implement the Agreement and the transactions contemplated thereby and to effect the issuance and delivery of the Note, and execution thereof by such officers and officials is hereby deemed conclusive evidence of approval thereof with such changes, additions, insertions, omissions or deletions as such officers and officials may determine, with no further official action of or direction by the Council.

Section 5. Security; Payment. The Note shall be payable solely from the collections of the Local MFT (as such term is defined in the Agreement). The City hereby pledges, and to the extent permitted by law grants a security interest to the Bank in, the LSR Fund (as hereinafter defined) and all of the Local MFT of the City to secure the payment of and the performance by

the City of its obligations under the Note. The collections of the Local MFT will be deposited into the LSR Fund. The Bank shall have no claim on the collections of the Local MFT beyond what is necessary to pay annual principal and interest on the Note. In accordance with the Agreement, any collections of excess Local MFT may be transferred out of the LSR Fund to be used to pay for the construction and maintenance of municipal streets and extension, sidewalk repairs and maintenance, curbing, grade extension and approaches, and engineering services related to the same.

The City further covenants and agrees with the Bank and any subsequent holders of the Note that so long the Note remains outstanding, the City will take no action or fail to take any action which in any way would adversely affect the security for the Note or the ability of the City to collect the Local MFT to pay the Note.

Section 6. Use of Proceeds. Note proceeds are hereby appropriated as follows: The drawdown of the principal proceeds of the Note shall be set aside in a separate City fund, heretofore created, and designated as the “*Local Street and Road Fund (the “LSR Fund”)*,” and be used to pay the Project, including costs of issuance of the Note, and interest on or principal of the Note at any time there are insufficient funds from other sources to pay the same. The City shall maintain the LSR Fund at the Bank while the Note is outstanding.

Section 7. General Covenants. The City covenants and agrees with the Bank and any subsequent holders of the Note that, so long as the Note remains outstanding and unpaid:

- (a) The City will punctually pay or cause to be paid the principal of and interest on the Note in strict conformity with the terms of the Agreement, the Note and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

(b) The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Project and the LSR Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Bank or its representatives authorized in writing.

(c) The City will preserve and protect the security of the Note and the rights of the registered owners of the Note.

(d) The City will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance, and for the better assuring and confirming unto the registered owner of the Note of the rights and benefits provided in this Ordinance.

Section 8. Tax Covenants. The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Note) if taking, permitting or omitting to take such action would cause the Note to be an arbitrage bond or a private activity bond within the meaning of the Internal Revenue Code of 1986, as amended, or would otherwise cause the interest on the Note 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 Note, 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 District also agrees and covenants with the Bank and holders of the Note 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 Note and affects the tax-exempt status of the Note.

The Council hereby authorizes the officials of the City responsible for issuing the Note, 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 Note as approved by the Council and as may be necessary to assure that the use thereof will not cause the Note to be an arbitrage bond and to assure that the interest on the Note will be exempt from federal income taxation. In connection therewith, the City and the Council further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Note 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 Note; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

Section 9. Superseder and Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage and approval.

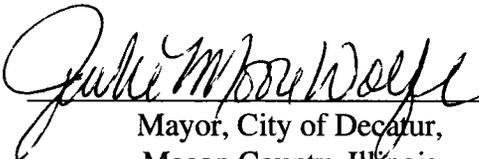
AYES: McDaniel, Ray, Dawson, Faber, Gregory and Mayor Wolfe

NAYS: None

ABSENT: Funk

ADOPTED: August 15, 2016

APPROVED: August 15, 2016



Mayor, City of Decatur,
Macon County, Illinois

RECORDED In City Records: August 15, 2016.

Attest:



City Clerk, City of Decatur,
Macon County, Illinois

EXHIBIT A

TERM LOAN AGREEMENT

TERM LOAN AGREEMENT
(Street Improvements)

DATED AS OF
AUGUST 18, 2016,

BETWEEN

CITY OF DECATUR, MACON COUNTY, ILLINOIS

AND

BUSEY BANK
Decatur, Illinois

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TERM LOAN AGREEMENT

This Term Loan Agreement is entered into as of the 18th day of August, 2016, by and between the City of Decatur, Macon County, Illinois, a duly organized municipality, home rule unit and political subdivision of the State of Illinois (the “City”), and BUSEY BANK, a banking corporation located in Decatur, Illinois (the “Bank”). All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in Section 5.1 hereof.

PRELIMINARY STATEMENT

The City has requested, and the Bank has agreed to extend, a term loan on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. THE LOANS.

Section 1.1. Term Loans. Subject to the terms and conditions hereof, the Bank agrees to make one or more loans in an aggregate principal amount not to exceed \$7,500,000 on a cumulative basis (the “Commitment”, and the loans made pursuant thereto being hereinafter referred to individually as a “Loan” and collectively as the “Loans”) at any time on or before August 15, 2019 (the “Drawing Period”), at which time the Commitment shall expire; *provided* that the Bank shall make (or have made) Loans in the aggregate minimum amounts shown on *Schedule 1* by the dates shown on *Schedule 1*. Each Loan shall be in a minimum amount of \$50,000. The principal amount of each Loan shall permanently reduce the amount available under the Commitment, and no amount repaid or prepaid on any Loan may be borrowed again. The Loans shall be evidenced by a single promissory note of the City in the form (with appropriate insertions) attached hereto as *Exhibit A* (the “Note”). The Note shall be dated the date of issuance thereof and be expressed to bear interest as set forth in Section 2 hereof. The Note, and the Loans evidenced thereby, shall mature in semi-annual principal installments, payable on the February 15 and August 15 of each year (commencing February 15, 2017) with each principal installment equal to \$535,714.28 (without regard to any payments or prepayments thereof), except that the final installment on the Loans shall be in the amount of all principal not sooner paid and shall be due and payable on the Maturity Date.

Section 1.2. Manner and Disbursement of Loans. The City shall give written or telephonic notice to the Bank (which notice shall be irrevocable once given and, if given by telephone, shall be promptly confirmed in writing) by no later than 11:00 a.m. (Decatur time) on the date the City requests the Bank to make an advance of the Loans hereunder. Each such notice shall specify the date of the advance requested (which must be a Business Day) and the amount of such advance. The City agrees that the Bank may rely upon any written or telephonic notice given by any person the Bank in good faith believes is an officer or official of the City without the necessity of independent investigation and, in the event any telephonic notice

conflicts with the written confirmation, such telephonic notice shall govern if the Bank has acted in reliance thereon. Subject to the provisions of Section 7 hereof, the proceeds of each advance shall be made available to the City at the principal office of the Bank in Decatur, Illinois, in immediately available funds by deposit to the City's primary operating account maintained with the Bank or as otherwise agreed upon by the City and the Bank. Notwithstanding anything herein to the contrary, Loans shall be made in the minimum amounts shown on *Schedule 1* by the dates shown on *Schedule 1*.

SECTION 2. INTEREST.

The outstanding principal balance of the Loans shall bear interest (which the City hereby promises to pay) at the rate per annum equal to 2.85%. Interest on the Loans shall be payable semi-annually in arrears on February 15 and August 15 in each year and at maturity. The principal balance of Loans which remains unpaid past the Maturity Date shall bear interest at the rate set forth in the first sentence hereof until paid in full. Interest on the Loans shall be computed on the basis of a year of 360 days for the actual number of days elapsed.

SECTION 3. PREPAYMENTS AND APPLICATIONS.

Section 3.1. Voluntary Prepayments. The City shall have the privilege of prepaying without premium or penalty and in whole or in part (but if in part, then in an amount not less than \$50,000) the Note at any time upon notice to the Bank prior to 11:00 a.m. (Decatur time) on the date fixed for prepayment. Each such prepayment shall be made together with accrued interest thereon to the date of prepayment.

Section 3.2. Place and Application of Payments. All payments of principal, interest, fees, and all other Obligations payable under the Loan Documents shall be made to the Bank at its office at 130 North Water Street, Decatur, Illinois (or at such other place as the Bank may specify) no later than 1:00 p.m. (Decatur time) on the date any such payment is due and payable. Payments received by the Bank after 1:00 p.m. (Decatur time) shall be deemed received as of the opening of business on the next Business Day. All such payments shall be made in lawful money of the United States of America, in immediately available funds at the place of payment, without set-off or counterclaim and without reduction for, and free from, any and all present or future taxes, levies, imposts, duties, fees, charges, deductions, withholdings, restrictions, and conditions of any nature imposed by any government or any political subdivision or taxing authority thereof (but excluding any taxes imposed on or measured by the net income of the Bank). No amount repaid on the Note may be reborrowed, and partial prepayments of the Note shall be applied to the latest remaining installments thereof.

Section 3.3. Notations. The amount and date of the Loans and the amount and date of each payment of principal and interest thereon shall be recorded by the Bank on its books and records or, at its option, recorded on a schedule to the Note, and the amount of principal and interest shown on such books and records or such schedule as owing on the Note from time to time shall be prima facie evidence in any court or other proceeding brought to enforce the Note of the principal amount remaining unpaid thereon and the interest applicable thereto; *provided* that the failure of the Bank to record any of the foregoing shall not limit or otherwise affect the

obligation of the City to repay the principal amount owing on the Note together with accrued interest thereon.

SECTION 4. TAX TREATMENT.

Interest on the Note shall be excludable from gross income for federal income tax purposes. The City shall take all steps necessary to maintain such tax exempt status for the Note. The Bank shall be provided an opinion of tax counsel satisfactory to the Bank which concludes that interest on the Note is excludable from gross income for federal income tax purposes under Section 103 of the Code.

SECTION 5. DEFINITIONS; INTERPRETATION.

Section 5.1. Definitions. The following terms when used herein shall have the following meanings:

“Agreement” means this Term Loan Agreement, as the same may be amended, modified, or restated from time to time in accordance with the terms hereof.

“Bank” is defined in the introductory paragraph hereof.

“Business Day” means any day other than a Saturday or Sunday on which the Bank is not authorized or required to close in Decatur, Illinois.

“City” is defined in the introductory paragraph hereof.

“Code” means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

“Commitment” is defined in Section 1.1 hereof.

“Default” means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

“Deposit Requirement” means collections of the Local MFT in an amount sufficient to pay principal of and interest on the Note due on the next two payment dates.

“Drawing Period” is defined in Section 1.1 hereof.

“Event of Default” means any event or condition identified as such in Section 9.1 hereof.

“Local MFT” means the City’s local motor fuel tax, effective April 1, 2016, which is 5 cents per gallon of non-diesel fuel and 1 cent per gallon of diesel fuel purchase at retail or at bulk within the City.

“Loans” is defined in Section 1.1 hereof.

“*Loan Documents*” means this Agreement, the Note, and each other instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith.

“*Material Adverse Effect*” means (a) a material adverse change in, or material adverse effect upon, the operations of the City taken as a whole, (b) a material impairment of the ability of the City to perform its obligations under any Loan Document, or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the City of any Loan Document or the rights and remedies of the Bank thereunder.

“*Maturity Date*” means August 15, 2023.

“*Note*” is defined in Section 1.1 hereof.

“*Obligations*” means all obligations of the City to pay principal and interest on the Loans, all fees and charges payable hereunder, and all other payment obligations of the City arising under or in relation to any Loan Document, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held, or acquired.

“*Ordinance*” means the ordinance adopted by the Council of the City on the 15th day of August, 2016, authorizing the execution, delivery and performance of the Loan Documents on behalf of the City.

Section 5.2. Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words “*hereof*”, “*herein*”, and “*hereunder*” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references to time of day herein are references to Decatur, Illinois time unless otherwise specifically provided.

SECTION 6. REPRESENTATIONS AND WARRANTIES.

The City represents and warrants to the Bank as follows:

Section 6.1. Organization and Qualification. The City is duly organized, validly existing municipality, home rule unit and political subdivision under the laws of the State of Illinois.

Section 6.2. Authority and Validity of Obligations. The City has full right and authority to enter into this Agreement and the other Loan Documents, to make the borrowings herein provided for, to issue its Note in evidence thereof, and to perform all of its obligations hereunder and under the other Loan Documents. The Loan Documents delivered by the City have been duly authorized, executed, and delivered by authorized officers or officials of the City and constitute valid and binding obligations of the City enforceable against them in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, or similar laws affecting creditors’ rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity

or at law); and this Agreement and the other Loan Documents do not, nor does the performance or observance by the City of any of the matters and things herein or therein provided for, contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon the City.

Section 6.3. Use of Proceeds. The City shall use the proceeds of the Loans to finance the resurfacing and reconstruction of roads and streets throughout the City.

Section 6.4. Financial Reports. The City agrees to furnish financial information to the Bank upon request of the Bank from time to time. Such information shall be furnished as soon as reasonably possible, but in any event within 30 days after request by the Bank. The City agrees to furnish without the Bank's request its annual audited financial statements within 180 days of the end of the City's fiscal year or such later date as such annual audited financial statement becomes available.

Section 6.5. No Material Adverse Change. Since December 31, 2015, there has been no change in the condition (financial or otherwise) of the City except those occurring in the ordinary course, none of which individually or in the aggregate have been materially adverse.

Section 6.6. Full Disclosure. The statements and information furnished to the Bank in connection with the negotiation of this Agreement and the other Loan Documents and the commitment by the Bank to provide all or part of the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading, the Bank acknowledging that, as to any projections furnished to the Bank, the City only represents that the same were prepared on the basis of information and estimates the City believed to be reasonable.

Section 6.7. Governmental Authority and Licensing. The City has received all licenses, permits, and approvals of all federal, state, and local governmental authorities, if any, necessary to conduct its businesses, in each case where the failure to obtain or maintain the same could reasonably be expected to have a Material Adverse Effect. No investigation or proceeding which, if adversely determined, could reasonably be expected to result in revocation or denial of any material license, permit or approval is pending or, to the knowledge of the City, threatened.

Section 6.8. Litigation and Other Controversies. There is no litigation or governmental or arbitration proceeding or labor controversy pending, nor to the knowledge of the City threatened, against the City which if adversely determined could reasonably be expected to have a Material Adverse Effect.

Section 6.9. Taxes. All taxes, assessments, fees, and other governmental charges upon the City or upon any of its property or revenues, have been paid, except such taxes, assessments, fees, and governmental charges, if any, as are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and as to which adequate reserves have been provided.

Section 6.10. Approvals. No authorization, consent, license, or exemption from, or filing or registration with, any court or governmental department, agency, or instrumentality, nor any approval or consent, is or will be necessary to the valid execution, delivery, or performance by the City of any Loan Document, except for such approvals which have been obtained prior to the date of this Agreement and remain in full force and effect.

Section 6.11. Compliance with Laws. The City is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to its operations, non-compliance with which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 6.12. Other Agreements. The City is not in default under the terms of any covenant, indenture or agreement of or affecting the City, which default if uncured could reasonably be expected to have a Material Adverse Effect.

Section 6.13. No Default. No Default or Event of Default has occurred and is continuing.

Section 6.14. Security. The Loans shall be secured by the Note, which is payable solely from the collections of the Local MFT. The City hereby pledges, and to the extent permitted by law grants a security interest to the Bank in, the LSR Fund (as hereinafter defined) and all of the Local MFT of the City to secure the payment of and the performance by the City of its obligations under the Note.

Section 6.15. Local MFT Account. The City agrees to maintain the account containing the collections of the Local MFT (the "LSR Fund") at the Bank while the Note is outstanding. The Bank shall have no claim on the proceeds of the Note on deposit in the LSR Fund and the Bank shall have no claim on the collections of the Local MFT above the Deposit Requirement and the Bank understands that any collections of Local MFT in excess of the Deposit Requirement may be transferred out of the LSR Fund to be used to pay for the construction and maintenance of municipal streets and extension, sidewalk repairs and maintenance, curbing, grade extension and approaches, and engineering services related to the same. If an Event of Default occurs and is continuing, (a) the Bank shall use and withdraw collections of Local MFT in the LSR Fund from time to time to make required payments as such payments become due, and (b) the City shall not be entitled to use or withdraw any Local MFT collections from the LSR Fund without approval from the Bank.

SECTION 7. CONDITIONS PRECEDENT.

The obligation of the Bank to make any extension of credit under this Agreement is subject to the following conditions precedent:

Section 7.1. All Advances. As of the time of the making of any extension of credit hereunder:

(a) each of the representations and warranties set forth in Section 6 hereof and in the other Loan Documents shall be true and correct as of such time, except to the extent the same expressly relate to an earlier date; and

(b) no Default or Event of Default shall have occurred and be continuing or would occur as a result of making such extension of credit; and

(c) such extension of credit shall not violate any order, judgment, or decree of any court or other authority or any provision of law or regulation applicable to the Bank (including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System) as then in effect.

The City's request for any extension of credit hereunder shall constitute its warranty as to the facts specified in subsections (a), (b), and (c) above.

Section 7.2. Initial Advance. At or prior to the making of the initial extension of credit hereunder, the following conditions precedent shall also have been satisfied:

(a) the Bank shall have received the following (and, with respect to all documents, each to be properly executed and completed) and the same shall have been approved as to form and substance by the Bank:

(i) the Note;

(ii) certified copy of the Ordinance;

(iii) a certificate indicating that there is no proceeding contesting the legality of the Loan Documents or the proceedings pursuant to which the Loan Documents were authorized;

(iv) an incumbency certificate containing the name, title and genuine signature of the City's signatories to this Agreement and the Note; and

(v) such additional certificates, instruments and other documents as the Bank may deem necessary with respect to the issuance and sale of the Note, all in form and substance satisfactory to the Bank;

(b) the Bank shall have received the initial fees called for hereby;

(c) legal matters incident to the execution and delivery of the Loan Documents and to the transactions contemplated hereby shall be satisfactory to the Bank and its counsel; and the Bank shall have received the favorable written opinion of counsel for the City in form and substance satisfactory to the Bank and its counsel; and

(d) the Bank shall have received such other agreements, instruments, documents, certificates and opinions as the Bank may reasonably request.

SECTION 8. COVENANTS.

The City agrees that, so long as any credit is available to or in use by the City hereunder, except to the extent compliance in any case or cases is waived in writing by the Bank:

Section 8.1. Maintenance of Existence. The City shall preserve and maintain its existence. The City shall preserve and keep in force and effect all licenses, permits and franchises necessary to the proper conduct of its business, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 8.2. Maintenance of Properties. The City shall maintain, preserve, and keep its municipal property in good repair, working order and condition (ordinary wear and tear excepted) and shall from time to time make all needful and proper repairs, renewals, replacements, additions, and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained.

Section 8.3. Taxes and Assessments. The City shall duly pay and discharge all taxes, rates, assessments, fees, and governmental charges upon, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves are provided therefor.

Section 8.4. Insurance. The City shall insure and keep insured, with good and responsible insurance companies, its insurable property by it which is of a character usually insured by municipalities similarly situated and operating against loss or damage from such hazards and risks, and in such amounts, as are insured by municipalities similarly situated and operating. The City shall upon request furnish to the Bank a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section.

SECTION 9. EVENTS OF DEFAULT AND REMEDIES.

Section 9.1. Events of Default. Any one or more of the following shall constitute an “Event of Default” hereunder:

(a) default in the payment when due of all or any part of any Obligation payable hereunder or under any other Loan Document (whether at the stated maturity thereof or at any other time provided for in this Agreement);

(b) default in the observance or performance of any provision hereof or of any other Loan Document which is not remedied within 30 days after the earlier of (i) the date on which such failure shall first become known to any officer of the City or (ii) written notice thereof is given to the City by the Bank;

(c) any representation or warranty made by the City herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any extension of credit made hereunder, proves untrue in any material respect as of the date of the issuance or making thereof;

(d) the institution by or against the City of any bankruptcy or similar proceeding for the relief of debtors or the appointment of any receiver for any such party or any of its property; or

(e) the City fails to comply with or to perform any term, obligation, covenant or condition contained in any agreement between the Bank and the City.

Section 9.2. Defaults. When any Event of Default has occurred and is continuing, the Bank may, by notice to the City, take one or more of the following actions:

(a) terminate the obligation of the Bank to extend any further credit hereunder on the date (which may be the date thereof) stated in such notice; and

(b) enforce any and all rights and remedies available to it under the Loan Documents or applicable law.

Section 9.3. Extension Under Default The City agrees that at any time that an Event of Default exists by virtue of a default in the payment of all or any part of any Obligation payable hereunder or under any other Loan Document on the Maturity Date, the provisions of this Agreement shall continue in full force and effect, including specifically Sections 6.14 and 6.15 hereof, until such Obligation or portion thereof has been paid in full.

SECTION 10. MISCELLANEOUS.

Section 10.1. Non-Business Days. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which date such payment shall be due and payable. In the case of any payment of principal falling due on a day which is not a Business Day, interest on such principal amount shall continue to accrue during such extension at the rate per annum then in effect, which accrued amount shall be due and payable on the next scheduled date for the payment of interest.

Section 10.2. No Waiver, Cumulative Remedies. No delay or failure on the part of the Bank or on the part of the holder of the Obligations in the exercise of any power or right shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The rights and remedies hereunder of the Bank and of the holder of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 10.3. Amendments, Etc. No amendment, modification, termination or waiver of any provision of this Agreement or of any other Loan Document, nor consent to any departure by the City therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank. No notice to or demand on the City in any case shall entitle the City to any other or further notice or demand in similar or other circumstances.

Section 10.4. Costs and Expenses; Indemnification. (a) The City agrees to pay on demand the costs and expenses of the Bank in connection with the negotiation, preparation, execution and delivery of this Agreement, the other Loan Documents and the other instruments and documents to be delivered hereunder or thereunder, and in connection with the transactions contemplated hereby or thereby, including the reasonable fees and expenses of counsel for the Bank with respect to all of the foregoing (whether or not the transactions contemplated hereby are consummated).

(b) The City further agrees to indemnify to the extent permitted by law the Bank and its respective directors, officers and employees, against all losses, claims, damages, penalties, judgments, liabilities and expenses which any of them may pay or incur arising out of or relating to any Loan Document or any of the transactions contemplated thereby.

Section 10.5. Survival of Representations. All representations and warranties made herein or in any of the other Loan Documents or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 10.6. Notices. Except as otherwise specified herein, all notices hereunder shall be in writing (including, without limitation, notice by telecopy) and shall be given to the relevant party at its address or telecopier number set forth below, or such other address or telecopier number as such party may hereafter specify by notice to the other given by courier, by United States certified or registered mail, by telecopy or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder shall be addressed:

to the City at:

City Hall
#1 Gary K. Anderson Plaza
Decatur, Illinois 62523
Attention: City Treasurer and
Director of Finance
Telephone: (217) 450-2226

to the Bank at:

Busey Bank
130 North Water Street
Decatur, Illinois 62523
Attention: Kelly O. White
Vice President
Telephone: (217) 362-2701

Each such notice, request or other communication shall be effective (i) if given by telecopier, when such telecopy is transmitted to the telecopier number specified in this Section and a confirmation of such telecopy has been received by the sender, (ii) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the

addresses specified in this Section; provided that any notice given pursuant to Section 1 or Section 2 hereof shall be effective only upon receipt.

Section 10.7. Headings. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 10.8. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 10.9. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterpart signature pages, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 10.10. Binding Nature, Governing Law, Etc. This Agreement shall be binding upon the City and shall inure to the benefit of the Bank and the benefit of its successors and assigns, including any subsequent holder of the Obligations. The City may not assign its rights hereunder without the written consent of the Bank. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. This Agreement and the rights and duties of the parties hereto shall be governed by, and construed in accordance with, the laws of the State of Illinois.

Section 10.11. Waiver of Jury Trial; Venue. The City and the Bank hereby irrevocably waive to the extent permitted by law any and all right to trial by jury in any legal proceeding arising out of or relating to any Loan Document or the transactions contemplated thereby. The City and the Bank hereby irrevocably agree that any action or proceeding in any way, manner or respect arising out of any Loan Document or any amendment, instrument, document or agreement delivered or which may in the future be delivered in connection therewith, or arising from any dispute or controversy arising in connection with or related to any Loan Document or any such amendment, instrument, document or agreement, shall be litigated only in courts having situs within The County of Macon, Illinois, and each of the City and the Bank hereby consents and submits to the jurisdiction of any local, state or federal court located within such County and State.

[SIGNATURE PAGE TO FOLLOW]

This Term Loan Agreement is entered into between us for the uses and purposes hereinabove set forth as of the date first above written.

"CITY"

CITY OF DECATUR, MACON COUNTY, ILLINOIS

By: _____

Name: Gregg Zientara

Title: Director of Finance

Attest:

City Clerk, City of Decatur,
Macon County, Illinois

"BANK"

BUSEY BANK

By: _____

Name: _____

Title: _____

SCHEDULE 1

MINIMUM LOAN SCHEDULE

| <u>Date</u> | <u>Aggregate Minimum Loan Requirement</u> |
|-------------|---|
| 02/01/2017 | \$1,000,000 |
| 08/01/2017 | 1,100,000 |
| 02/01/2018 | 4,000,000 |
| 08/15/2019 | 7,500,000 |

EXHIBIT A
PROMISSORY NOTE

\$7,500,000

Dated August 18, 2016

FOR VALUE RECEIVED, the undersigned, City of Decatur, Macon County, Illinois, a duly organized municipality, home rule unit and political subdivision of the State of Illinois (the "City"), hereby promises to pay to the order of BUSEY BANK (the "Bank") at its office at 130 North Water Street, Decatur, Illinois, the lesser of Seven Million Five Hundred Thousand and 00/100 DOLLARS (\$7,500,000), and the aggregate principal balance of the Loans advanced to the City by the Bank under the Commitment provided for in the Term Loan Agreement hereafter mentioned, payable in principal installments in the amounts and at the times set forth in Section 1.1 of the Term Loan Agreement, with a final installment of all principal not sooner paid due and payable on the Maturity Date.

This Note evidences the Loans made to the City by the Bank under that certain Term Loan Agreement dated as of August 18, 2016, between the City and the Bank (said Term Loan Agreement, as the same may be amended, modified or restated from time to time, being referred to herein as the "Term Loan Agreement"), and the City hereby promises to pay interest at the office described above on the Loans evidenced hereby at the rate and at the times and in the manner specified therefor in the Term Loan Agreement.

This Note is issued by the City under the terms and provisions of the Term Loan Agreement, and this Note and the holder hereof are entitled to all of the benefits and security provided for thereby or referred to therein, to which reference is hereby made for a statement thereof. This Note may be declared to be, or be and become, due prior to its expressed maturity, voluntary prepayments may be made hereon, and certain prepayments are required to be made hereon, all in the events, on the terms and with the effects provided in the Term Loan Agreement. All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in the Term Loan Agreement.

The City hereby waives presentment for payment and demand. THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF ILLINOIS.

CITY OF DECATUR, MACON COUNTY, ILLINOIS

Mayor, City of Decatur,
Macon County, Illinois

Attest:

City Clerk, City of Decatur,
Macon County, Illinois

STATE OF ILLINOIS)
) SS
COUNTY OF MACON)

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 Decatur, Macon 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 Council (the “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 Council held on the 15th day of August, 2016 insofar as the same relates to the adoption of an Ordinance and entitled:

ORDINANCE providing for the issuance of a not to exceed \$7,500,000 Promissory Note of the City of Decatur, Macon County, Illinois, to pay the costs of resurfacing and reconstructing local roads and streets within the City, providing for the security for and payment of said note, confirming the sale thereof to Busey Bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents.

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

I do further certify that the deliberations of the Council on the adoption of said Ordinance were taken 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 newspapers, radio or television stations and other news media requesting such notice; that an agenda for said meeting was posted at the location where said meeting was held and the principal office of the Council at least 72 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, and 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 the Illinois Municipal Code, as amended, and that the Council has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Council in the adoption of said Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City this 15th day of August, 2016.

[SEAL]



City Clerk



Monday, August 15, 2016
5:30 PM

CITY COUNCIL AGENDA

I. Call to Order

1. Roll Call
2. Pledge of Allegiance

II. Appearance of Citizens

Policy relative to Appearance of Citizens:

A 15 minute time period is provided for citizens to appear and express their views before the City Council. Each citizen who appears will be limited to 3 minutes. No immediate response will be given by City Council or City staff members. Citizens are to give their documents to the Police Officer for distribution to the Council.

III. Unfinished Business

IV. New Business

1. Proclamations and Recognitions
2. December 31, 2015 Audit Presentation
3. Ordinance Providing for Issuance of Promissory Note Not to Exceed \$7,500,000 for Resurfacing and Reconstructing Local Streets, Providing for Security and Payment of Said Note, Confirming Sale to Busey Bank, and Authorizing Execution and Delivery of Term Loan Agreement
4. Ordinance Providing for Issuance of Promissory Note Not to Exceed \$2,200,000 for Renovating, Repairing and Maintaining City Fire Stations 1, 2, 4, and 6, Providing for Security and Payment of Said Note, Confirming Sale to Busey Bank, and Authorizing Execution and Delivery of Term Loan Agreement
5. Resolution Authorizing Amendment #1 to Local Agency Agreement for Federal Participation with the State of Illinois for the Improvement of Mound Road Bridge over Spring Creek East, City Project 2013-25
6. Resolution Authorizing U.S. Department of Housing and Urban Development Fund Allocation for the Annual Action Plan FY 2016-17
7. Ordinance Amending City Code Chapter 73 - Offenses
8. Ordinance Amending City Code Chapter 29 - Administrative Adjudication of Offenses
9. Consent Calendar: Items listed under the Consent Calendar are considered to be routine and will be enacted by one motion and one vote. If separate

action is desired on any item, it will be removed from the Consent Calendar and considered separately.

- A. Ordinance Authorizing Consumption of Alcoholic Liquor in Central Park Decatur Area Arts Council
- B. Resolution Approving Reappointment to Decatur Housing Authority Board
- C. Resolution Authorizing Annexation Agreement---Aramark

V. Other Business

- A. Resolution Accepting the Bid and Authorizing the Execution of a Contract with R. W. Dunteman Co. for the 2016 Local Motor Fuel Tax Street Improvement Project (Asphalt), City Project 2016-25
- B. Resolution Accepting the Bid and Authorizing the Execution of a Contract with Otto Baum Company, Inc. for Local Motor Fuel Tax Street Improvement Project (Concrete), City Project 2016-26

VI. Recess to Study Session

License, Permit, and Major Revenue Overview

VII. Adjournment

Council Information - Lake Decatur Watershed Protection Program – 2nd Quarter 2016

July 2016 Monthly Reports

Financial Management

DATE: 8/8/2016

MEMO: Letter to the Decatur City Council Financial Management Department 2016-13

TO: Honorable Mayor Moore Wolfe and Members of the City Council

FROM: Tim Gleason
Gregg D. Zientara

SUBJECT: Ordinance providing for the issuance of not to exceed \$7,500,000 promissory Note of the City of Decatur, Macon County, Illinois, to pay the costs of resurfacing and reconstructing local roads and streets within the City, providing for the security for and payment of said note, confirming the sale thereof to Busey bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents

SUMMARY RECOMMENDATION: City staff recommends council approval.

BACKGROUND:

City solicited financing proposals from Busey Bank, Hickory Point Bank & Trust, Regions Bank, and Soy Capital Bank and Trust. City provided a financing term sheet outlining the project and setting the parameters for loan terms and conditions of interest to the city (copy attached).

Busey Bank, Hickory Point Bank and Regions Bank submitted financing proposals for consideration by the City.

The City selected Busey Bank as the most responsive bidder due to several factors including: minimal loan conditions and covenants, fixed interest rate, and most favorable pricing considering the fixed interest rate.

A summary schedule is attached identifying the comparative financial analysis.

PRIOR COUNCIL ACTION:

Council created the local motor fuel tax with passage of council ordinance 2016-08 adopted on February 16, 2016

Council adopted Resolution R2016-78 on June 20, 2016 authorizing the City Manager to enter into a debt financing arrangement to finance local street resurfacing and reconstruction.

POTENTIAL OBJECTIONS: None

INPUT FROM OTHER SOURCES:

STAFF REFERENCE: Gregg Zientara

ATTACHMENTS:

| Description | Type |
|-----------------------------|-----------------|
| Ordinance | Ordinance |
| Term Loan Agreement | Backup Material |
| City Financing Term Sheet | Backup Material |
| Financing proposal analysis | Backup Material |

EXTRACT OF MINUTES of the regular public meeting of the Council of the City of Decatur, Macon County, Illinois, held in the Council Chambers at City Hall, One Gary K. Anderson Plaza, in said City, at 5:30 p.m., on the 15th day of August, 2016.

* * *

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

Upon the roll being called, the following Council Members answered present: _____

Councilmen Pat McDaniel, Dana Roy, Jerry Newton, Bill Tate, Chris Funk, Lisa Stegny and Mayor Julie Moore Wolfe

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

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

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

The Mayor announced that the next item of business before the Council was the consideration of an Ordinance providing for the issuance of a not to exceed \$2,200,000 Promissory Note to pay the costs of renovating, repairing and maintaining the City's Fire Stations Numbers 1, 2, 4 and 6, providing for the security and for the payment of said note, confirming the sale thereof to Busey Bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents.

Whereupon the Mayor presented and explained, and there was incorporated into the record in full the following Ordinance:

ORDINANCE providing for the issuance of a not to exceed \$2,200,000 Promissory Note of the City of Decatur, Macon County, Illinois, to pay the costs of renovating, repairing and maintaining the City's Fire Stations Numbers 1, 2, 4 and 6, providing for the security for and payment of said note, confirming the sale thereof to Busey Bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents.

(the "Note Ordinance").

Council Member Jerry Dawson moved and Council Member Dana Ray seconded the motion that the Note Ordinance as presented be adopted.

A Council discussion of the matter followed. During the Council discussion, the Mayor gave a public recital of the nature of the matter, which included a reading of the title of the Ordinance and statements (1) that the Ordinance provided for the issuance of a promissory note to Busey Bank for the purpose of paying the costs of renovating, repairing and maintaining the City's Fire Stations Numbers 1, 2, 4 and 6, (2) that the note is issuable without referendum pursuant to the home rule powers of the City, (3) that the Ordinance provides for security for the note, namely, that the note is unsecured and is payable from funds of the City lawfully available for such purpose, (4) that the Ordinance provides many details for the note, including provision for the terms and form of the note, and (5) that the Ordinance authorizes the execution and delivery of a Term Loan Agreement and related documents. The Mayor directed that the roll be called for a vote upon the motion to adopt the Ordinance.

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

Councilmen Pat McDaniel, Dana Ray, Jerry Dawson, Bill Futer, Lisa Sheyars and Mayor Julie Moore Wolfe
and the following Council Members voted NAY: _____.

Councilman Chris Funk abstained.

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

Other business was duly transacted at said meeting.

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



City Clerk

ORDINANCE providing for the issuance of a not to exceed \$2,200,000 Promissory Note of the City of Decatur, Macon County, Illinois, to pay the costs of renovating, repairing and maintaining the City's Fire Stations Numbers 1, 2, 4 and 6, providing for the security for and payment of said note, confirming the sale thereof to Busey Bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents.

Adopted by the Council on the
15th day of August, 2016.

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ORDINANCE providing for the issuance of a not to exceed \$2,200,000 Promissory Note of the City of Decatur, Macon County, Illinois, to pay the costs of renovating, repairing and maintaining the City's Fire Stations Numbers 1, 2, 4 and 6, providing for the security for and payment of said note, confirming the sale thereof to Busey Bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents.

* * *

WHEREAS, the City of Decatur, Macon County, Illinois (the "*City*"), is a duly organized municipality under the laws of the State of Illinois, operating generally under the Illinois Municipal Code, as amended; has a population in excess of 25,000 as determined by the last official census; and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois (the "*Constitution*"), the City is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs, including, but not limited to, the power to incur debt (the Illinois Municipal Code as supplemented and, where in conflict, superseded by said constitutional powers being the "*Act*"); and

WHEREAS, pursuant to the provisions of the Act, 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, the Council of the City (the "*Council*") has considered the needs of the City and its residents, and has determined and does hereby determine that it is desirable and in the best interests of the City to pay the costs of renovating, repairing and maintaining the City's Fire Stations Numbers 1, 2, 4 and 6 (the "*Project*"); and

WHEREAS, the estimated cost of the Project is not less than the sum of \$2,200,000, plus the estimated available amount of interest earnings on said sum prior to expenditure; and

WHEREAS, the proper officers and officials of the City have negotiated with Busey Bank, Decatur, Illinois (the “*Bank*”), for a loan authorization to be made available by the Bank to the City in the form of loans in an aggregate principal amount not to exceed \$2,200,000; and

WHEREAS, as a condition precedent to the extension of credit or financial accommodations from the Bank to the City, the Bank requires that the City enter into a Term Loan Agreement with the Bank setting forth the terms and conditions applicable thereto (the “*Agreement*”); and

WHEREAS, the Council hereby expressly determines that it is advisable, necessary and in the best interests of the City that the City authorize the execution and delivery of the Agreement; and

WHEREAS, it is in the best interests of the inhabitants of the City and necessary for the government and affairs of the City also to authorize the issuance of a Promissory Note (the “*Note*”) to evidence the obligation to repay the principal of and interest on amounts drawn from time to time by the City under the Agreement:

NOW THEREFORE Be It and It Is Hereby Ordained by the Council of the City of Decatur, Macon County, Illinois, in the exercise of its home rule powers, as follows:

Section 1. Findings. The Council hereby finds and determines that (a) all of the recitals contained in the preambles to this Ordinance are full, true and correct and hereby incorporates them into this Ordinance by this reference; (b) this Ordinance is adopted pursuant to Section 6 of Article VII of the Constitution; (c) it is necessary and in the best interests of the City that the City adopt this Ordinance; (d) it is necessary and in the best interests of the City that the Agreement be executed and the Note be issued so as to pay the costs of the Project; and (e) the execution of the Agreement, the borrowing of money for the purposes authorized therein and the issuance of the Note are for proper public purposes and are in the public interest.

Section 2. Execution of the Agreement Authorized. The City is hereby authorized to enter into the Agreement with the Bank in substantially the form attached hereto as *Exhibit A*, *provided, however*, that in the event of any conflict between the terms and provisions of this Ordinance and the Agreement, the terms and provisions of this Ordinance shall in all events control. The Director of Finance be, and hereby is, authorized, empowered and directed to execute, and his or her execution thereof shall constitute conclusive evidence of the approval of any and all terms contained in the Agreement by the Council, and the City Clerk be, and hereby is, authorized, empowered and directed to attest the Agreement in the name, for and on behalf of the City, and thereupon to cause the Agreement to be delivered to the Bank. The Agreement (as executed) is entered into to provide for the loan of the proceeds of the Note to the City and the use of such proceeds as aforesaid and to pay the costs of issuing the Note, in the manner and with the effect therein provided. From and after the execution and delivery of the Agreement, 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 Agreement as executed; and the Agreement shall constitute, and hereby is made, a part of this Ordinance, and a copy of the Agreement shall be placed in the official records of the City, and shall be available for public inspection at the office of the City Clerk.

Section 3. The Note. The Note is hereby authorized to be issued as a drawdown note, shall be issued in the principal amount of not to exceed \$2,200,000 and shall mature on the date and bear interest at the rate and on the dates as set forth in the Agreement.

The form of the Note as attached as *Exhibit A* to the Agreement, subject to appropriate insertions and revisions in order to comply with the provisions of the Agreement (as executed and delivered) be, and the same hereby is, approved. The Note shall be executed in the name, for

and on behalf of the City with the signatures of Mayor and the City Clerk. When the Note shall be executed on behalf of the City in the manner contemplated by the Agreement and this Ordinance in a principal amount not to exceed \$2,200,000, it shall represent the approved form of Note of the City.

Section 4. Sale and Delivery of Note. The Note hereby authorized shall be executed as in this Ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the City Treasurer, and be by said City Treasurer delivered to the Bank upon receipt of the purchase price therefor, the same being the par amount of any Loan (as such term is defined in the Agreement); the contract for the sale of the Note heretofore entered into (the "*Purchase Contract*") is in all respects ratified, approved and confirmed, it being hereby found and determined that the Purchase Contract 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 Purchase Contract.

Any officer or official of the City as may be necessary is hereby authorized to execute such other documents, as may be necessary to implement the Agreement and the transactions contemplated thereby and to effect the issuance and delivery of the Note, and execution thereof by such officers and officials is hereby deemed conclusive evidence of approval thereof with such changes, additions, insertions, omissions or deletions as such officers and officials may determine, with no further official action of or direction by the Council.

Section 5. Security; Payment. The Note shall be payable solely from funds of the City lawfully available for such purpose. The City agrees to appropriate funds of the City annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Loans and the Note.

The City further covenants and agrees with the Bank and any subsequent holders of the Note that so long the Note remains outstanding, the City will take no action or fail to take any action which in any way would adversely affect the security for the Note.

Section 6. Use of Proceeds. Note proceeds are hereby appropriated as follows: The drawdown of the principal proceeds of the Note shall be set aside in a separate City fund, heretofore created, and designated as the “*Fire Capital Fund*”, and be used to pay the Project, including costs of issuance of the Note, and interest on or principal of the Note at any time there are insufficient funds from other sources to pay the same.

Section 7. General Covenants. The City covenants and agrees with the Bank and any subsequent holders of the Note that, so long as the Note remains outstanding and unpaid:

(a) The City will punctually pay or cause to be paid the principal of and interest on the Note in strict conformity with the terms of the Agreement, the Note and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

(b) The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Project. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Bank or its representatives authorized in writing.

(c) The City will preserve and protect the security of the Note and the rights of the registered owners of the Note.

(d) The City will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance,

and for the better assuring and confirming unto the registered owner of the Note of the rights and benefits provided in this Ordinance.

Section 8. Tax Covenants. The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Note) if taking, permitting or omitting to take such action would cause the Note to be an arbitrage bond or a private activity bond within the meaning of the Internal Revenue Code of 1986, as amended, or would otherwise cause the interest on the Note 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 Note, 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 District also agrees and covenants with the Bank and holders of the Note 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 Note and affects the tax-exempt status of the Note.

The Council hereby authorizes the officials of the City responsible for issuing the Note, 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 Note as approved by the Council and as may be necessary to assure that the use thereof will not cause the Note to be an arbitrage bond and to assure that the interest on the Note will be exempt from federal income taxation. In connection therewith, the City and the Council further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Note 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 Note; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

Section 9. Superseder and Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage and approval.

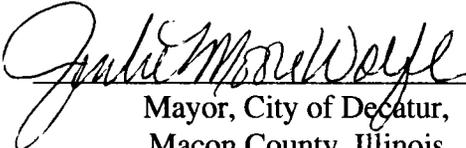
AYES: McDaniel, Ray, Dawson, Faber, Gregory and Mayor Wolfe

NAYS: None

ABSENT: Funk

ADOPTED: August 15, 2016

APPROVED: August 15, 2016



Mayor, City of Decatur,
Macon County, Illinois

RECORDED In City Records: August 15, 2016.

Attest:



City Clerk, City of Decatur,
Macon County, Illinois

EXHIBIT A
TERM LOAN AGREEMENT

TERM LOAN AGREEMENT
(Fire Station Projects)

DATED AS OF
AUGUST 18, 2016,

BETWEEN

CITY OF DECATUR, MACON COUNTY, ILLINOIS

AND

BUSEY BANK
Decatur, Illinois

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TERM LOAN AGREEMENT

This Term Loan Agreement is entered into as of the 18th day of August, 2016, by and between the City of Decatur, Macon County, Illinois, a duly organized municipality, home rule unit and political subdivision of the State of Illinois (the “City”), and BUSEY BANK, a banking corporation located in Decatur, Illinois (the “Bank”). All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in Section 5.1 hereof.

PRELIMINARY STATEMENT

The City has requested, and the Bank has agreed to extend, a term loan on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. THE LOANS.

Section 1.1. Term Loans. Subject to the terms and conditions hereof, the Bank agrees to make one or more loans in an aggregate principal amount not to exceed \$2,200,000 on a cumulative basis (the “Commitment”, and the loans made pursuant thereto being hereinafter referred to individually as a “Loan” and collectively as the “Loans”) at any time on or before August 15, 2018 (the “Drawing Period”), at which time the Commitment shall expire; *provided* that the Bank shall make (or have made) Loans in the aggregate minimum amounts shown on *Schedule 1* by the dates shown on *Schedule 1*. Each Loan shall be in a minimum amount of \$50,000. The principal amount of each Loan shall permanently reduce the amount available under the Commitment, and no amount repaid or prepaid on any Loan may be borrowed again. The Loans shall be evidenced by a single promissory note of the City in the form (with appropriate insertions) attached hereto as *Exhibit A* (the “Note”). The Note shall be dated the date of issuance thereof and be expressed to bear interest as set forth in Section 2 hereof. The Note, and the Loans evidenced thereby, shall mature in semi-annual principal installments, payable on the February 15 and August 15 of each year (commencing February 15, 2017) with each principal installment equal to \$157,142.85 (without regard to any payments or prepayments thereof), except that the final installment on the Loans shall be in the amount of all principal not sooner paid and shall be due and payable on the Maturity Date.

Section 1.2. Manner and Disbursement of Loans. The City shall give written or telephonic notice to the Bank (which notice shall be irrevocable once given and, if given by telephone, shall be promptly confirmed in writing) by no later than 11:00 a.m. (Decatur time) on the date the City requests the Bank to make an advance of the Loans hereunder. Each such notice shall specify the date of the advance requested (which must be a Business Day) and the amount of such advance. The City agrees that the Bank may rely upon any written or telephonic notice given by any person the Bank in good faith believes is an officer or official of the City without the necessity of independent investigation and, in the event any telephonic notice

conflicts with the written confirmation, such telephonic notice shall govern if the Bank has acted in reliance thereon. Subject to the provisions of Section 7 hereof, the proceeds of each advance shall be made available to the City at the principal office of the Bank in Decatur, Illinois, in immediately available funds by deposit to the City's primary operating account maintained with the Bank or as otherwise agreed upon by the City and the Bank. Notwithstanding anything herein to the contrary, Loans shall be made in the minimum amounts shown on *Schedule 1* by the dates shown on *Schedule 1*.

SECTION 2. INTEREST.

The outstanding principal balance of the Loans shall bear interest (which the City hereby promises to pay) at the rate per annum equal to 2.85%. Interest on the Loans shall be payable semi-annually in arrears on February 15 and August 15 in each year and at maturity. The principal balance of Loans which remains unpaid past the Maturity Date shall bear interest at the rate set forth in the first sentence hereof until paid in full. Interest on the Loans shall be computed on the basis of a year of 360 days for the actual number of days elapsed.

SECTION 3. PREPAYMENTS AND APPLICATIONS.

Section 3.1. Voluntary Prepayments. The City shall have the privilege of prepaying without premium or penalty and in whole or in part (but if in part, then in an amount not less than \$50,000) the Note at any time upon notice to the Bank prior to 11:00 a.m. (Decatur time) on the date fixed for prepayment. Each such prepayment shall be made together with accrued interest thereon to the date of prepayment.

Section 3.2. Place and Application of Payments. All payments of principal, interest, fees, and all other Obligations payable under the Loan Documents shall be made to the Bank at its office at 130 North Water Street, Decatur, Illinois (or at such other place as the Bank may specify) no later than 1:00 p.m. (Decatur time) on the date any such payment is due and payable. Payments received by the Bank after 1:00 p.m. (Decatur time) shall be deemed received as of the opening of business on the next Business Day. All such payments shall be made in lawful money of the United States of America, in immediately available funds at the place of payment, without set-off or counterclaim and without reduction for, and free from, any and all present or future taxes, levies, imposts, duties, fees, charges, deductions, withholdings, restrictions, and conditions of any nature imposed by any government or any political subdivision or taxing authority thereof (but excluding any taxes imposed on or measured by the net income of the Bank). No amount repaid on the Note may be reborrowed, and partial prepayments of the Note shall be applied to the latest remaining installments thereof.

Section 3.3. Notations. The amount and date of the Loans and the amount and date of each payment of principal and interest thereon shall be recorded by the Bank on its books and records or, at its option, recorded on a schedule to the Note, and the amount of principal and interest shown on such books and records or such schedule as owing on the Note from time to time shall be prima facie evidence in any court or other proceeding brought to enforce the Note of the principal amount remaining unpaid thereon and the interest applicable thereto; *provided* that the failure of the Bank to record any of the foregoing shall not limit or otherwise affect the

obligation of the City to repay the principal amount owing on the Note together with accrued interest thereon.

SECTION 4. TAX TREATMENT.

Interest on the Note shall be excludable from gross income for federal income tax purposes. The City shall take all steps necessary to maintain such tax exempt status for the Note. The Bank shall be provided an opinion of tax counsel satisfactory to the Bank which concludes that interest on the Note is excludable from gross income for federal income tax purposes under Section 103 of the Code.

SECTION 5. DEFINITIONS; INTERPRETATION.

Section 5.1. Definitions. The following terms when used herein shall have the following meanings:

“Agreement” means this Term Loan Agreement, as the same may be amended, modified, or restated from time to time in accordance with the terms hereof.

“Bank” is defined in the introductory paragraph hereof.

“Business Day” means any day other than a Saturday or Sunday on which the Bank is not authorized or required to close in Decatur, Illinois.

“City” is defined in the introductory paragraph hereof.

“Code” means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

“Commitment” is defined in Section 1.1 hereof.

“Default” means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

“Drawing Period” is defined in Section 1.1 hereof.

“Event of Default” means any event or condition identified as such in Section 9.1 hereof.

“Loans” is defined in Section 1.1 hereof.

“Loan Documents” means this Agreement, the Note, and each other instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith.

“Material Adverse Effect” means (a) a material adverse change in, or material adverse effect upon, the operations of the City taken as a whole, (b) a material impairment of the ability of the City to perform its obligations under any Loan Document, or (c) a material adverse effect

upon the legality, validity, binding effect or enforceability against the City of any Loan Document or the rights and remedies of the Bank thereunder.

“*Maturity Date*” means August 15, 2023.

“*Note*” is defined in Section 1.1 hereof.

“*Obligations*” means all obligations of the City to pay principal and interest on the Loans, all fees and charges payable hereunder, and all other payment obligations of the City arising under or in relation to any Loan Document, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held, or acquired.

“*Ordinance*” means the ordinance adopted by the Council of the City on the 15th day of August, 2016, authorizing the execution, delivery and performance of the Loan Documents on behalf of the City.

Section 5.2. Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words “*hereof*”, “*herein*”, and “*hereunder*” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references to time of day herein are references to Decatur, Illinois time unless otherwise specifically provided.

SECTION 6. REPRESENTATIONS AND WARRANTIES.

The City represents and warrants to the Bank as follows:

Section 6.1. Organization and Qualification. The City is duly organized, validly existing municipality, home rule unit and political subdivision under the laws of the State of Illinois.

Section 6.2. Authority and Validity of Obligations. The City has full right and authority to enter into this Agreement and the other Loan Documents, to make the borrowings herein provided for, to issue its Note in evidence thereof, and to perform all of its obligations hereunder and under the other Loan Documents. The Loan Documents delivered by the City have been duly authorized, executed, and delivered by authorized officers or officials of the City and constitute valid and binding obligations of the City enforceable against them in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, or similar laws affecting creditors’ rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law); and this Agreement and the other Loan Documents do not, nor does the performance or observance by the City of any of the matters and things herein or therein provided for, contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon the City.

Section 6.3. Use of Proceeds. The City shall use the proceeds of the Loans to finance the renovation, repair and maintenance of the City's Fire Stations Numbers 1, 2, 4 and 6.

Section 6.4. Financial Reports. The City agrees to furnish financial information to the Bank upon request of the Bank from time to time. Such information shall be furnished as soon as reasonably possible, but in any event within 30 days after request by the Bank. The City agrees to furnish without the Bank's request its annual audited financial statements within 180 days of the end of the City's fiscal year or such later date as such annual audited financial statement becomes available.

Section 6.5. No Material Adverse Change. Since December 31, 2015, there has been no change in the condition (financial or otherwise) of the City except those occurring in the ordinary course, none of which individually or in the aggregate have been materially adverse.

Section 6.6. Full Disclosure. The statements and information furnished to the Bank in connection with the negotiation of this Agreement and the other Loan Documents and the commitment by the Bank to provide all or part of the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading, the Bank acknowledging that, as to any projections furnished to the Bank, the City only represents that the same were prepared on the basis of information and estimates the City believed to be reasonable.

Section 6.7. Governmental Authority and Licensing. The City has received all licenses, permits, and approvals of all federal, state, and local governmental authorities, if any, necessary to conduct its businesses, in each case where the failure to obtain or maintain the same could reasonably be expected to have a Material Adverse Effect. No investigation or proceeding which, if adversely determined, could reasonably be expected to result in revocation or denial of any material license, permit or approval is pending or, to the knowledge of the City, threatened.

Section 6.8. Litigation and Other Controversies. There is no litigation or governmental or arbitration proceeding or labor controversy pending, nor to the knowledge of the City threatened, against the City which if adversely determined could reasonably be expected to have a Material Adverse Effect.

Section 6.9. Taxes. All taxes, assessments, fees, and other governmental charges upon the City or upon any of its property or revenues, have been paid, except such taxes, assessments, fees, and governmental charges, if any, as are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and as to which adequate reserves have been provided.

Section 6.10. Approvals. No authorization, consent, license, or exemption from, or filing or registration with, any court or governmental department, agency, or instrumentality, nor any approval or consent, is or will be necessary to the valid execution, delivery, or performance by the City of any Loan Document, except for such approvals which have been obtained prior to the date of this Agreement and remain in full force and effect.

Section 6.11. Compliance with Laws. The City is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to its operations, non-compliance with which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 6.12. Other Agreements. The City is not in default under the terms of any covenant, indenture or agreement of or affecting the City, which default if uncured could reasonably be expected to have a Material Adverse Effect.

Section 6.13. No Default. No Default or Event of Default has occurred and is continuing.

Section 6.14. Security. The Loans shall be secured by the Note, which is payable from any funds of the City lawfully available for such purpose. The City agrees to appropriate funds of the City annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Loans and the Note.

SECTION 7. CONDITIONS PRECEDENT.

The obligation of the Bank to make any extension of credit under this Agreement is subject to the following conditions precedent:

Section 7.1. All Advances. As of the time of the making of any extension of credit hereunder:

(a) each of the representations and warranties set forth in Section 6 hereof and in the other Loan Documents shall be true and correct as of such time, except to the extent the same expressly relate to an earlier date; and

(b) no Default or Event of Default shall have occurred and be continuing or would occur as a result of making such extension of credit; and

(c) such extension of credit shall not violate any order, judgment, or decree of any court or other authority or any provision of law or regulation applicable to the Bank (including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System) as then in effect.

The City's request for any extension of credit hereunder shall constitute its warranty as to the facts specified in subsections (a), (b), and (c) above.

Section 7.2. Initial Advance. At or prior to the making of the initial extension of credit hereunder, the following conditions precedent shall also have been satisfied:

(a) the Bank shall have received the following (and, with respect to all documents, each to be properly executed and completed) and the same shall have been approved as to form and substance by the Bank:

- (i) the Note;
 - (ii) certified copy of the Ordinance;
 - (iii) a certificate indicating that there is no proceeding contesting the legality of the Loan Documents or the proceedings pursuant to which the Loan Documents were authorized;
 - (iv) an incumbency certificate containing the name, title and genuine signature of the City's signatories to this Agreement and the Note; and
 - (v) such additional certificates, instruments and other documents as the Bank may deem necessary with respect to the issuance and sale of the Note, all in form and substance satisfactory to the Bank;
- (b) the Bank shall have received the initial fees called for hereby;
 - (c) legal matters incident to the execution and delivery of the Loan Documents and to the transactions contemplated hereby shall be satisfactory to the Bank and its counsel; and the Bank shall have received the favorable written opinion of counsel for the City in form and substance satisfactory to the Bank and its counsel; and
 - (d) the Bank shall have received such other agreements, instruments, documents, certificates and opinions as the Bank may reasonably request.

SECTION 8. COVENANTS.

The City agrees that, so long as any credit is available to or in use by the City hereunder, except to the extent compliance in any case or cases is waived in writing by the Bank:

Section 8.1. Maintenance of Existence. The City shall preserve and maintain its existence. The City shall preserve and keep in force and effect all licenses, permits and franchises necessary to the proper conduct of its business, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 8.2. Maintenance of Properties. The City shall maintain, preserve, and keep its municipal property in good repair, working order and condition (ordinary wear and tear excepted) and shall from time to time make all needful and proper repairs, renewals, replacements, additions, and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained.

Section 8.3. Taxes and Assessments. The City shall duly pay and discharge all taxes, rates, assessments, fees, and governmental charges upon, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being

contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves are provided therefor.

Section 8.4. Insurance. The City shall insure and keep insured, with good and responsible insurance companies, its insurable property by it which is of a character usually insured by municipalities similarly situated and operating against loss or damage from such hazards and risks, and in such amounts, as are insured by municipalities similarly situated and operating. The City shall upon request furnish to the Bank a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section.

SECTION 9. EVENTS OF DEFAULT AND REMEDIES.

Section 9.1. Events of Default. Any one or more of the following shall constitute an "Event of Default" hereunder:

(a) default in the payment when due of all or any part of any Obligation payable hereunder or under any other Loan Document (whether at the stated maturity thereof or at any other time provided for in this Agreement);

(b) default in the observance or performance of any provision hereof or of any other Loan Document which is not remedied within 30 days after the earlier of (i) the date on which such failure shall first become known to any officer of the City or (ii) written notice thereof is given to the City by the Bank;

(c) any representation or warranty made by the City herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any extension of credit made hereunder, proves untrue in any material respect as of the date of the issuance or making thereof;

(d) the institution by or against the City of any bankruptcy or similar proceeding for the relief of debtors or the appointment of any receiver for any such party or any of its property; or

(e) the City fails to comply with or to perform any term, obligation, covenant or condition contained in any agreement between the Bank and the City.

Section 9.2. Defaults. When any Event of Default has occurred and is continuing, the Bank may, by notice to the City, take one or more of the following actions:

(a) terminate the obligation of the Bank to extend any further credit hereunder on the date (which may be the date thereof) stated in such notice; and

(b) enforce any and all rights and remedies available to it under the Loan Documents or applicable law.

SECTION 10. MISCELLANEOUS.

Section 10.1. Non-Business Days. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which date such payment shall be due and payable. In the case of any payment of principal falling due on a day which is not a Business Day, interest on such principal amount shall continue to accrue during such extension at the rate per annum then in effect, which accrued amount shall be due and payable on the next scheduled date for the payment of interest.

Section 10.2. No Waiver, Cumulative Remedies. No delay or failure on the part of the Bank or on the part of the holder of the Obligations in the exercise of any power or right shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The rights and remedies hereunder of the Bank and of the holder of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 10.3. Amendments, Etc. No amendment, modification, termination or waiver of any provision of this Agreement or of any other Loan Document, nor consent to any departure by the City therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank. No notice to or demand on the City in any case shall entitle the City to any other or further notice or demand in similar or other circumstances.

Section 10.4. Costs and Expenses; Indemnification. (a) The City agrees to pay on demand the costs and expenses of the Bank in connection with the negotiation, preparation, execution and delivery of this Agreement, the other Loan Documents and the other instruments and documents to be delivered hereunder or thereunder, and in connection with the transactions contemplated hereby or thereby, including the reasonable fees and expenses of counsel for the Bank with respect to all of the foregoing (whether or not the transactions contemplated hereby are consummated).

(b) The City further agrees to indemnify to the extent permitted by law the Bank and its respective directors, officers and employees, against all losses, claims, damages, penalties, judgments, liabilities and expenses which any of them may pay or incur arising out of or relating to any Loan Document or any of the transactions contemplated thereby.

Section 10.5. Survival of Representations. All representations and warranties made herein or in any of the other Loan Documents or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 10.6. Notices. Except as otherwise specified herein, all notices hereunder shall be in writing (including, without limitation, notice by telecopy) and shall be given to the relevant party at its address or telecopier number set forth below, or such other address or telecopier

number as such party may hereafter specify by notice to the other given by courier, by United States certified or registered mail, by telecopy or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder shall be addressed:

to the City at:

City Hall
#1 Gary K. Anderson Plaza
Decatur, Illinois 62523
Attention: City Treasurer and
Director of Finance
Telephone: (217) 450-2226

to the Bank at:

Busey Bank
130 North Water Street
Decatur, Illinois 62523
Attention: Kelly O. White
Vice President
Telephone: (217) 362-2701

Each such notice, request or other communication shall be effective (i) if given by telecopier, when such telecopy is transmitted to the telecopier number specified in this Section and a confirmation of such telecopy has been received by the sender, (ii) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section; provided that any notice given pursuant to Section 1 or Section 2 hereof shall be effective only upon receipt.

Section 10.7. Headings. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 10.8. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 10.9. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterpart signature pages, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 10.10. Binding Nature, Governing Law, Etc. This Agreement shall be binding upon the City and shall inure to the benefit of the Bank and the benefit of its successors and assigns, including any subsequent holder of the Obligations. The City may not assign its rights hereunder without the written consent of the Bank. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. This Agreement and the rights and duties of the parties hereto shall be governed by, and construed in accordance with, the laws of the State of Illinois.

Section 10.11. Waiver of Jury Trial; Venue. The City and the Bank hereby irrevocably waive to the extent permitted by law any and all right to trial by jury in any legal proceeding arising out of or relating to any Loan Document or the transactions contemplated thereby. The City and the Bank hereby irrevocably agree that any action or proceeding in any way, manner or respect arising out of any Loan Document or any amendment, instrument, document or agreement delivered or which may in the future be delivered in connection therewith, or arising from any dispute or controversy arising in connection with or related to any Loan Document or any such amendment, instrument, document or agreement, shall be litigated only in courts having situs within The County of Macon, Illinois, and each of the City and the Bank hereby consents and submits to the jurisdiction of any local, state or federal court located within such County and State.

[SIGNATURE PAGE TO FOLLOW]

This Term Loan Agreement is entered into between us for the uses and purposes hereinabove set forth as of the date first above written.

"CITY"

CITY OF DECATUR, MACON COUNTY, ILLINOIS

By: _____

Name: Gregg Zientara

Title: Director of Finance

Attest:

City Clerk, City of Decatur,
Macon County, Illinois

"BANK"

BUSEY BANK

By: _____

Name: _____

Title: _____

SCHEDULE 1

MINIMUM LOAN SCHEDULE

| <u>Date</u> | <u>Aggregate Minimum Loan Requirement</u> |
|-------------|---|
| 02/01/2017 | \$ 250,000 |
| 08/01/2017 | 320,000 |
| 02/01/2018 | 1,000,000 |
| 08/15/2018 | 2,200,000 |

**EXHIBIT A
PROMISSORY NOTE**

\$2,200,000

Dated August 18, 2016

FOR VALUE RECEIVED, the undersigned, City of Decatur, Macon County, Illinois, a duly organized municipality, home rule unit and political subdivision of the State of Illinois (the "City"), hereby promises to pay to the order of BUSEY BANK (the "Bank") at its office at 130 North Water Street, Decatur, Illinois, the lesser of Two Million Two Hundred Thousand and 00/100 DOLLARS (\$2,200,000), and the aggregate principal balance of the Loans advanced to the City by the Bank under the Commitment provided for in the Term Loan Agreement hereafter mentioned, payable in principal installments in the amounts and at the times set forth in Section 1.1 of the Term Loan Agreement, with a final installment of all principal not sooner paid due and payable on the Maturity Date.

This Note evidences the Loans made to the City by the Bank under that certain Term Loan Agreement dated as of August 18, 2016, between the City and the Bank (said Term Loan Agreement, as the same may be amended, modified or restated from time to time, being referred to herein as the "Term Loan Agreement"), and the City hereby promises to pay interest at the office described above on the Loans evidenced hereby at the rate and at the times and in the manner specified therefor in the Term Loan Agreement.

This Note is issued by the City under the terms and provisions of the Term Loan Agreement, and this Note and the holder hereof are entitled to all of the benefits and security provided for thereby or referred to therein, to which reference is hereby made for a statement thereof. This Note may be declared to be, or be and become, due prior to its expressed maturity, voluntary prepayments may be made hereon, and certain prepayments are required to be made hereon, all in the events, on the terms and with the effects provided in the Term Loan Agreement. All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in the Term Loan Agreement.

The City hereby waives presentment for payment and demand. THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF ILLINOIS.

CITY OF DECATUR, MACON COUNTY, ILLINOIS

Mayor, City of Decatur,
Macon County, Illinois

Attest:

City Clerk, City of Decatur,
Macon County, Illinois

STATE OF ILLINOIS)
) SS
COUNTY OF MACON)

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 Decatur, Macon 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 Council (the “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 Council held on the 15th day of August, 2016 insofar as the same relates to the adoption of an Ordinance and entitled:

ORDINANCE providing for the issuance of a not to exceed \$2,200,000 Promissory Note of the City of Decatur, Macon County, Illinois, to pay the costs of renovating, repairing and maintaining the City’s Fire Stations Numbers 1, 2, 4 and 6, providing for the security for and payment of said note, confirming the sale thereof to Busey Bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents.

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

I do further certify that the deliberations of the Council on the adoption of said Ordinance were taken 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 newspapers, radio or television stations and other news media requesting such notice; that an agenda for said meeting was posted at the location where said meeting was held and the principal office of the Council at least 72 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, and 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 the Illinois Municipal Code, as amended, and that the Council has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Council in the adoption of said Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City this 15th day of August, 2016.

[SEAL]



City Clerk



Monday, August 15, 2016
5:30 PM

CITY COUNCIL AGENDA

I. Call to Order

1. Roll Call
2. Pledge of Allegiance

II. Appearance of Citizens

Policy relative to Appearance of Citizens:

A 15 minute time period is provided for citizens to appear and express their views before the City Council. Each citizen who appears will be limited to 3 minutes. No immediate response will be given by City Council or City staff members. Citizens are to give their documents to the Police Officer for distribution to the Council.

III. Unfinished Business

IV. New Business

1. Proclamations and Recognitions
2. December 31, 2015 Audit Presentation
3. Ordinance Providing for Issuance of Promissory Note Not to Exceed \$7,500,000 for Resurfacing and Reconstructing Local Streets, Providing for Security and Payment of Said Note, Confirming Sale to Busey Bank, and Authorizing Execution and Delivery of Term Loan Agreement
4. Ordinance Providing for Issuance of Promissory Note Not to Exceed \$2,200,000 for Renovating, Repairing and Maintaining City Fire Stations 1, 2, 4, and 6, Providing for Security and Payment of Said Note, Confirming Sale to Busey Bank, and Authorizing Execution and Delivery of Term Loan Agreement
5. Resolution Authorizing Amendment #1 to Local Agency Agreement for Federal Participation with the State of Illinois for the Improvement of Mound Road Bridge over Spring Creek East, City Project 2013-25
6. Resolution Authorizing U.S. Department of Housing and Urban Development Fund Allocation for the Annual Action Plan FY 2016-17
7. Ordinance Amending City Code Chapter 73 - Offenses
8. Ordinance Amending City Code Chapter 29 - Administrative Adjudication of Offenses
9. Consent Calendar: Items listed under the Consent Calendar are considered to be routine and will be enacted by one motion and one vote. If separate

action is desired on any item, it will be removed from the Consent Calendar and considered separately.

- A. Ordinance Authorizing Consumption of Alcoholic Liquor in Central Park Decatur Area Arts Council
- B. Resolution Approving Reappointment to Decatur Housing Authority Board
- C. Resolution Authorizing Annexation Agreement---Aramark

V. Other Business

- A. Resolution Accepting the Bid and Authorizing the Execution of a Contract with R. W. Dunteman Co. for the 2016 Local Motor Fuel Tax Street Improvement Project (Asphalt), City Project 2016-25
- B. Resolution Accepting the Bid and Authorizing the Execution of a Contract with Otto Baum Company, Inc. for Local Motor Fuel Tax Street Improvement Project (Concrete), City Project 2016-26

VI. Recess to Study Session

License, Permit, and Major Revenue Overview

VII. Adjournment

Council Information - Lake Decatur Watershed Protection Program – 2nd Quarter 2016

July 2016 Monthly Reports

Financial Management

DATE: 8/8/2016

MEMO: Letter to the Decatur City Council Financial Management Department 2016-13

TO: Honorable Mayor Moore Wolfe and Members of the City Council

FROM: Tim Gleason
Gregg D. Zientara

SUBJECT: Ordinance providing for the issuance of not to exceed \$7,500,000 promissory Note of the City of Decatur, Macon County, Illinois, to pay the costs of resurfacing and reconstructing local roads and streets within the City, providing for the security for and payment of said note, confirming the sale thereof to Busey bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents

SUMMARY RECOMMENDATION: City staff recommends council approval.

BACKGROUND:

City solicited financing proposals from Busey Bank, Hickory Point Bank & Trust, Regions Bank, and Soy Capital Bank and Trust. City provided a financing term sheet outlining the project and setting the parameters for loan terms and conditions of interest to the city (copy attached).

Busey Bank, Hickory Point Bank and Regions Bank submitted financing proposals for consideration by the City.

The City selected Busey Bank as the most responsive bidder due to several factors including: minimal loan conditions and covenants, fixed interest rate, and most favorable pricing considering the fixed interest rate.

A summary schedule is attached identifying the comparative financial analysis.

PRIOR COUNCIL ACTION:

Council created the local motor fuel tax with passage of council ordinance 2016-08 adopted on February 16, 2016

Council adopted Resolution R2016-78 on June 20, 2016 authorizing the City Manager to enter into a debt financing arrangement to finance local street resurfacing and reconstruction.

POTENTIAL OBJECTIONS: None

INPUT FROM OTHER SOURCES:

STAFF REFERENCE: Gregg Zientara

ATTACHMENTS:

| Description | Type |
|-----------------------------|-----------------|
| Ordinance | Ordinance |
| Term Loan Agreement | Backup Material |
| City Financing Term Sheet | Backup Material |
| Financing proposal analysis | Backup Material |

TERM LOAN AGREEMENT
(Fire Station Projects)

DATED AS OF
AUGUST 18, 2016,

BETWEEN

CITY OF DECATUR, MACON COUNTY, ILLINOIS

AND

BUSEY BANK
Decatur, Illinois

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TERM LOAN AGREEMENT

This Term Loan Agreement is entered into as of the 18th day of August, 2016, by and between the City of Decatur, Macon County, Illinois, a duly organized municipality, home rule unit and political subdivision of the State of Illinois (the “City”), and BUSEY BANK, a banking corporation located in Decatur, Illinois (the “Bank”). All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in Section 5.1 hereof.

PRELIMINARY STATEMENT

The City has requested, and the Bank has agreed to extend, a term loan on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. THE LOANS.

Section 1.1. Term Loans. Subject to the terms and conditions hereof, the Bank agrees to make one or more loans in an aggregate principal amount not to exceed \$2,200,000 on a cumulative basis (the “Commitment”, and the loans made pursuant thereto being hereinafter referred to individually as a “Loan” and collectively as the “Loans”) at any time on or before August 15, 2018 (the “Drawing Period”), at which time the Commitment shall expire; *provided* that the Bank shall make (or have made) Loans in the aggregate minimum amounts shown on *Schedule 1* by the dates shown on *Schedule 1*. Each Loan shall be in a minimum amount of \$50,000. The principal amount of each Loan shall permanently reduce the amount available under the Commitment, and no amount repaid or prepaid on any Loan may be borrowed again. The Loans shall be evidenced by a single promissory note of the City in the form (with appropriate insertions) attached hereto as *Exhibit A* (the “Note”). The Note shall be dated the date of issuance thereof and be expressed to bear interest as set forth in Section 2 hereof. The Note, and the Loans evidenced thereby, shall mature in semi-annual principal installments, payable on the February 15 and August 15 of each year (commencing February 15, 2017) with each principal installment equal to \$157,142.85 (without regard to any payments or prepayments thereof), except that the final installment on the Loans shall be in the amount of all principal not sooner paid and shall be due and payable on the Maturity Date.

Section 1.2. Manner and Disbursement of Loans. The City shall give written or telephonic notice to the Bank (which notice shall be irrevocable once given and, if given by telephone, shall be promptly confirmed in writing) by no later than 11:00 a.m. (Decatur time) on the date the City requests the Bank to make an advance of the Loans hereunder. Each such notice shall specify the date of the advance requested (which must be a Business Day) and the amount of such advance. The City agrees that the Bank may rely upon any written or telephonic notice given by any person the Bank in good faith believes is an officer or official of the City without the necessity of independent investigation and, in the event any telephonic notice

conflicts with the written confirmation, such telephonic notice shall govern if the Bank has acted in reliance thereon. Subject to the provisions of Section 7 hereof, the proceeds of each advance shall be made available to the City at the principal office of the Bank in Decatur, Illinois, in immediately available funds by deposit to the City's primary operating account maintained with the Bank or as otherwise agreed upon by the City and the Bank. Notwithstanding anything herein to the contrary, Loans shall be made in the minimum amounts shown on *Schedule 1* by the dates shown on *Schedule 1*.

SECTION 2. INTEREST.

The outstanding principal balance of the Loans shall bear interest (which the City hereby promises to pay) at the rate per annum equal to 2.85%. Interest on the Loans shall be payable semi-annually in arrears on February 15 and August 15 in each year and at maturity. The principal balance of Loans which remains unpaid past the Maturity Date shall bear interest at the rate set forth in the first sentence hereof until paid in full. Interest on the Loans shall be computed on the basis of a year of 360 days for the actual number of days elapsed.

SECTION 3. PREPAYMENTS AND APPLICATIONS.

Section 3.1. Voluntary Prepayments. The City shall have the privilege of prepaying without premium or penalty and in whole or in part (but if in part, then in an amount not less than \$50,000) the Note at any time upon notice to the Bank prior to 11:00 a.m. (Decatur time) on the date fixed for prepayment. Each such prepayment shall be made together with accrued interest thereon to the date of prepayment.

Section 3.2. Place and Application of Payments. All payments of principal, interest, fees, and all other Obligations payable under the Loan Documents shall be made to the Bank at its office at 130 North Water Street, Decatur, Illinois (or at such other place as the Bank may specify) no later than 1:00 p.m. (Decatur time) on the date any such payment is due and payable. Payments received by the Bank after 1:00 p.m. (Decatur time) shall be deemed received as of the opening of business on the next Business Day. All such payments shall be made in lawful money of the United States of America, in immediately available funds at the place of payment, without set-off or counterclaim and without reduction for, and free from, any and all present or future taxes, levies, imposts, duties, fees, charges, deductions, withholdings, restrictions, and conditions of any nature imposed by any government or any political subdivision or taxing authority thereof (but excluding any taxes imposed on or measured by the net income of the Bank). No amount repaid on the Note may be reborrowed, and partial prepayments of the Note shall be applied to the latest remaining installments thereof.

Section 3.3. Notations. The amount and date of the Loans and the amount and date of each payment of principal and interest thereon shall be recorded by the Bank on its books and records or, at its option, recorded on a schedule to the Note, and the amount of principal and interest shown on such books and records or such schedule as owing on the Note from time to time shall be prima facie evidence in any court or other proceeding brought to enforce the Note of the principal amount remaining unpaid thereon and the interest applicable thereto; *provided* that the failure of the Bank to record any of the foregoing shall not limit or otherwise affect the

obligation of the City to repay the principal amount owing on the Note together with accrued interest thereon.

SECTION 4. TAX TREATMENT.

Interest on the Note shall be excludable from gross income for federal income tax purposes. The City shall take all steps necessary to maintain such tax exempt status for the Note. The Bank shall be provided an opinion of tax counsel satisfactory to the Bank which concludes that interest on the Note is excludable from gross income for federal income tax purposes under Section 103 of the Code.

SECTION 5. DEFINITIONS; INTERPRETATION.

Section 5.1. Definitions. The following terms when used herein shall have the following meanings:

“*Agreement*” means this Term Loan Agreement, as the same may be amended, modified, or restated from time to time in accordance with the terms hereof.

“*Bank*” is defined in the introductory paragraph hereof.

“*Business Day*” means any day other than a Saturday or Sunday on which the Bank is not authorized or required to close in Decatur, Illinois.

“*City*” is defined in the introductory paragraph hereof.

“*Code*” means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

“*Commitment*” is defined in Section 1.1 hereof.

“*Default*” means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

“*Drawing Period*” is defined in Section 1.1 hereof.

“*Event of Default*” means any event or condition identified as such in Section 9.1 hereof.

“*Loans*” is defined in Section 1.1 hereof.

“*Loan Documents*” means this Agreement, the Note, and each other instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith.

“*Material Adverse Effect*” means (a) a material adverse change in, or material adverse effect upon, the operations of the City taken as a whole, (b) a material impairment of the ability of the City to perform its obligations under any Loan Document, or (c) a material adverse effect

upon the legality, validity, binding effect or enforceability against the City of any Loan Document or the rights and remedies of the Bank thereunder.

“*Maturity Date*” means August 15, 2023.

“*Note*” is defined in Section 1.1 hereof.

“*Obligations*” means all obligations of the City to pay principal and interest on the Loans, all fees and charges payable hereunder, and all other payment obligations of the City arising under or in relation to any Loan Document, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held, or acquired.

“*Ordinance*” means the ordinance adopted by the Council of the City on the 15th day of August, 2016, authorizing the execution, delivery and performance of the Loan Documents on behalf of the City.

Section 5.2. Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words “*hereof*”, “*herein*”, and “*hereunder*” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references to time of day herein are references to Decatur, Illinois time unless otherwise specifically provided.

SECTION 6. REPRESENTATIONS AND WARRANTIES.

The City represents and warrants to the Bank as follows:

Section 6.1. Organization and Qualification. The City is duly organized, validly existing municipality, home rule unit and political subdivision under the laws of the State of Illinois.

Section 6.2. Authority and Validity of Obligations. The City has full right and authority to enter into this Agreement and the other Loan Documents, to make the borrowings herein provided for, to issue its Note in evidence thereof, and to perform all of its obligations hereunder and under the other Loan Documents. The Loan Documents delivered by the City have been duly authorized, executed, and delivered by authorized officers or officials of the City and constitute valid and binding obligations of the City enforceable against them in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, or similar laws affecting creditors’ rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law); and this Agreement and the other Loan Documents do not, nor does the performance or observance by the City of any of the matters and things herein or therein provided for, contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon the City.

Section 6.3. Use of Proceeds. The City shall use the proceeds of the Loans to finance the renovation, repair and maintenance of the City's Fire Stations Numbers 1, 2, 4 and 6.

Section 6.4. Financial Reports. The City agrees to furnish financial information to the Bank upon request of the Bank from time to time. Such information shall be furnished as soon as reasonably possible, but in any event within 30 days after request by the Bank. The City agrees to furnish without the Bank's request its annual audited financial statements within 180 days of the end of the City's fiscal year or such later date as such annual audited financial statement becomes available.

Section 6.5. No Material Adverse Change. Since December 31, 2015, there has been no change in the condition (financial or otherwise) of the City except those occurring in the ordinary course, none of which individually or in the aggregate have been materially adverse.

Section 6.6. Full Disclosure. The statements and information furnished to the Bank in connection with the negotiation of this Agreement and the other Loan Documents and the commitment by the Bank to provide all or part of the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading, the Bank acknowledging that, as to any projections furnished to the Bank, the City only represents that the same were prepared on the basis of information and estimates the City believed to be reasonable.

Section 6.7. Governmental Authority and Licensing. The City has received all licenses, permits, and approvals of all federal, state, and local governmental authorities, if any, necessary to conduct its businesses, in each case where the failure to obtain or maintain the same could reasonably be expected to have a Material Adverse Effect. No investigation or proceeding which, if adversely determined, could reasonably be expected to result in revocation or denial of any material license, permit or approval is pending or, to the knowledge of the City, threatened.

Section 6.8. Litigation and Other Controversies. There is no litigation or governmental or arbitration proceeding or labor controversy pending, nor to the knowledge of the City threatened, against the City which if adversely determined could reasonably be expected to have a Material Adverse Effect.

Section 6.9. Taxes. All taxes, assessments, fees, and other governmental charges upon the City or upon any of its property or revenues, have been paid, except such taxes, assessments, fees, and governmental charges, if any, as are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and as to which adequate reserves have been provided.

Section 6.10. Approvals. No authorization, consent, license, or exemption from, or filing or registration with, any court or governmental department, agency, or instrumentality, nor any approval or consent, is or will be necessary to the valid execution, delivery, or performance by the City of any Loan Document, except for such approvals which have been obtained prior to the date of this Agreement and remain in full force and effect.

Section 6.11. Compliance with Laws. The City is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to its operations, non-compliance with which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 6.12. Other Agreements. The City is not in default under the terms of any covenant, indenture or agreement of or affecting the City, which default if uncured could reasonably be expected to have a Material Adverse Effect.

Section 6.13. No Default. No Default or Event of Default has occurred and is continuing.

Section 6.14. Security. The Loans shall be secured by the Note, which is payable from any funds of the City lawfully available for such purpose. The City agrees to appropriate funds of the City annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Loans and the Note.

SECTION 7. CONDITIONS PRECEDENT.

The obligation of the Bank to make any extension of credit under this Agreement is subject to the following conditions precedent:

Section 7.1. All Advances. As of the time of the making of any extension of credit hereunder:

(a) each of the representations and warranties set forth in Section 6 hereof and in the other Loan Documents shall be true and correct as of such time, except to the extent the same expressly relate to an earlier date; and

(b) no Default or Event of Default shall have occurred and be continuing or would occur as a result of making such extension of credit; and

(c) such extension of credit shall not violate any order, judgment, or decree of any court or other authority or any provision of law or regulation applicable to the Bank (including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System) as then in effect.

The City's request for any extension of credit hereunder shall constitute its warranty as to the facts specified in subsections (a), (b), and (c) above.

Section 7.2. Initial Advance. At or prior to the making of the initial extension of credit hereunder, the following conditions precedent shall also have been satisfied:

(a) the Bank shall have received the following (and, with respect to all documents, each to be properly executed and completed) and the same shall have been approved as to form and substance by the Bank:

- (i) the Note;
 - (ii) certified copy of the Ordinance;
 - (iii) a certificate indicating that there is no proceeding contesting the legality of the Loan Documents or the proceedings pursuant to which the Loan Documents were authorized;
 - (iv) an incumbency certificate containing the name, title and genuine signature of the City's signatories to this Agreement and the Note; and
 - (v) such additional certificates, instruments and other documents as the Bank may deem necessary with respect to the issuance and sale of the Note, all in form and substance satisfactory to the Bank;
- (b) the Bank shall have received the initial fees called for hereby;
 - (c) legal matters incident to the execution and delivery of the Loan Documents and to the transactions contemplated hereby shall be satisfactory to the Bank and its counsel; and the Bank shall have received the favorable written opinion of counsel for the City in form and substance satisfactory to the Bank and its counsel; and
 - (d) the Bank shall have received such other agreements, instruments, documents, certificates and opinions as the Bank may reasonably request.

Section 7.3. Opinions of Bond Counsel. The City shall provide to the Bank on August 18, 2017 and within 30 days of the final draw of the Loan an opinion of bond counsel, satisfactory to the Bank, regarding the federal income tax treatment of interest on the amount issued and drawn on the Note as of the date of such opinion; *provided that*, if the City intends to draw the maximum amount of the Loan by October 1, 2017 then the City shall not be required to deliver an opinion of bond counsel to the Bank on August 18, 2017.

SECTION 8. COVENANTS.

The City agrees that, so long as any credit is available to or in use by the City hereunder, except to the extent compliance in any case or cases is waived in writing by the Bank:

Section 8.1. Maintenance of Existence. The City shall preserve and maintain its existence. The City shall preserve and keep in force and effect all licenses, permits and franchises necessary to the proper conduct of its business, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 8.2. Maintenance of Properties. The City shall maintain, preserve, and keep its municipal property in good repair, working order and condition (ordinary wear and tear excepted) and shall from time to time make all needful and proper repairs, renewals,

replacements, additions, and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained.

Section 8.3. Taxes and Assessments. The City shall duly pay and discharge all taxes, rates, assessments, fees, and governmental charges upon, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves are provided therefor.

Section 8.4. Insurance. The City shall insure and keep insured, with good and responsible insurance companies, its insurable property by it which is of a character usually insured by municipalities similarly situated and operating against loss or damage from such hazards and risks, and in such amounts, as are insured by municipalities similarly situated and operating. The City shall upon request furnish to the Bank a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section.

SECTION 9. EVENTS OF DEFAULT AND REMEDIES.

Section 9.1. Events of Default. Any one or more of the following shall constitute an “*Event of Default*” hereunder:

(a) default in the payment when due of all or any part of any Obligation payable hereunder or under any other Loan Document (whether at the stated maturity thereof or at any other time provided for in this Agreement);

(b) default in the observance or performance of any provision hereof or of any other Loan Document which is not remedied within 30 days after the earlier of (i) the date on which such failure shall first become known to any officer of the City or (ii) written notice thereof is given to the City by the Bank;

(c) any representation or warranty made by the City herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any extension of credit made hereunder, proves untrue in any material respect as of the date of the issuance or making thereof;

(d) the institution by or against the City of any bankruptcy or similar proceeding for the relief of debtors or the appointment of any receiver for any such party or any of its property; or

(e) the City fails to comply with or to perform any term, obligation, covenant or condition contained in any agreement between the Bank and the City.

Section 9.2. Defaults. When any Event of Default has occurred and is continuing, the Bank may, by notice to the City, take one or more of the following actions:

(a) terminate the obligation of the Bank to extend any further credit hereunder on the date (which may be the date thereof) stated in such notice; and

(b) enforce any and all rights and remedies available to it under the Loan Documents or applicable law.

SECTION 10. MISCELLANEOUS.

Section 10.1. Non-Business Days. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which date such payment shall be due and payable. In the case of any payment of principal falling due on a day which is not a Business Day, interest on such principal amount shall continue to accrue during such extension at the rate per annum then in effect, which accrued amount shall be due and payable on the next scheduled date for the payment of interest.

Section 10.2. No Waiver, Cumulative Remedies. No delay or failure on the part of the Bank or on the part of the holder of the Obligations in the exercise of any power or right shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The rights and remedies hereunder of the Bank and of the holder of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 10.3. Amendments, Etc. No amendment, modification, termination or waiver of any provision of this Agreement or of any other Loan Document, nor consent to any departure by the City therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank. No notice to or demand on the City in any case shall entitle the City to any other or further notice or demand in similar or other circumstances.

Section 10.4. Costs and Expenses; Indemnification. (a) The City agrees to pay on demand the costs and expenses of the Bank in connection with the negotiation, preparation, execution and delivery of this Agreement, the other Loan Documents and the other instruments and documents to be delivered hereunder or thereunder, and in connection with the transactions contemplated hereby or thereby, including the reasonable fees and expenses of counsel for the Bank with respect to all of the foregoing (whether or not the transactions contemplated hereby are consummated).

(b) The City further agrees to indemnify to the extent permitted by law the Bank and its respective directors, officers and employees, against all losses, claims, damages, penalties, judgments, liabilities and expenses which any of them may pay or incur arising out of or relating to any Loan Document or any of the transactions contemplated thereby.

Section 10.5. Survival of Representations. All representations and warranties made herein or in any of the other Loan Documents or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 10.6. Notices. Except as otherwise specified herein, all notices hereunder shall be in writing (including, without limitation, notice by telecopy) and shall be given to the relevant party at its address or telecopier number set forth below, or such other address or telecopier number as such party may hereafter specify by notice to the other given by courier, by United States certified or registered mail, by telecopy or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder shall be addressed:

to the City at:

City Hall
#1 Gary K. Anderson Plaza
Decatur, Illinois 62523
Attention: City Treasurer and
Director of Finance
Telephone: (217) 450-2226

to the Bank at:

Busey Bank
130 North Water Street
Decatur, Illinois 62523
Attention: Kelly O. White
Vice President
Telephone: (217) 362-2701

Each such notice, request or other communication shall be effective (i) if given by telecopier, when such telecopy is transmitted to the telecopier number specified in this Section and a confirmation of such telecopy has been received by the sender, (ii) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section; provided that any notice given pursuant to Section 1 or Section 2 hereof shall be effective only upon receipt.

Section 10.7. Headings. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 10.8. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 10.9. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterpart signature pages, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 10.10. Binding Nature, Governing Law, Etc. This Agreement shall be binding upon the City and shall inure to the benefit of the Bank and the benefit of its successors and assigns, including any subsequent holder of the Obligations. The City may not assign its rights hereunder without the written consent of the Bank. This Agreement constitutes the entire

understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. This Agreement and the rights and duties of the parties hereto shall be governed by, and construed in accordance with, the laws of the State of Illinois.

Section 10.11. Waiver of Jury Trial; Venue. The City and the Bank hereby irrevocably waive to the extent permitted by law any and all right to trial by jury in any legal proceeding arising out of or relating to any Loan Document or the transactions contemplated thereby. The City and the Bank hereby irrevocably agree that any action or proceeding in any way, manner or respect arising out of any Loan Document or any amendment, instrument, document or agreement delivered or which may in the future be delivered in connection therewith, or arising from any dispute or controversy arising in connection with or related to any Loan Document or any such amendment, instrument, document or agreement, shall be litigated only in courts having situs within The County of Macon, Illinois, and each of the City and the Bank hereby consents and submits to the jurisdiction of any local, state or federal court located within such County and State.

[SIGNATURE PAGE TO FOLLOW]

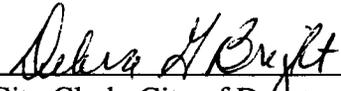
This Term Loan Agreement is entered into between us for the uses and purposes hereinabove set forth as of the date first above written.

"CITY"

CITY OF DECATUR, MACON COUNTY, ILLINOIS

By: 
Name: Gregg Zientara
Title: Director of Finance

Attest:


City Clerk, City of Decatur,
Macon County, Illinois

"BANK"

BUSEY BANK

By: _____
Name: _____
Title: _____

This Term Loan Agreement is entered into between us for the uses and purposes hereinabove set forth as of the date first above written.

"CITY"

CITY OF DECATUR, MACON COUNTY, ILLINOIS

By: _____

Name: Gregg Zientara

Title: Director of Finance

Attest:

City Clerk, City of Decatur,
Macon County, Illinois

"BANK"

BUSEY BANK

By:  _____

Name: Kelly O White

Title: Vice President

SCHEDULE 1

MINIMUM LOAN SCHEDULE

| <u>Date</u> | <u>Aggregate Minimum Loan Requirement</u> |
|-------------|---|
| 02/01/2017 | \$ 250,000 |
| 08/01/2017 | 320,000 |
| 02/01/2018 | 1,000,000 |
| 08/15/2018 | 2,200,000 |

EXHIBIT A
PROMISSORY NOTE

\$2,200,000

Dated August 18, 2016

FOR VALUE RECEIVED, the undersigned, City of Decatur, Macon County, Illinois, a duly organized municipality, home rule unit and political subdivision of the State of Illinois (the "City"), hereby promises to pay to the order of BUSEY BANK (the "Bank") at its office at 130 North Water Street, Decatur, Illinois, the lesser of Two Million Two Hundred Thousand and 00/100 DOLLARS (\$2,200,000), and the aggregate principal balance of the Loans advanced to the City by the Bank under the Commitment provided for in the Term Loan Agreement hereafter mentioned, payable in principal installments in the amounts and at the times set forth in Section 1.1 of the Term Loan Agreement, with a final installment of all principal not sooner paid due and payable on the Maturity Date.

This Note evidences the Loans made to the City by the Bank under that certain Term Loan Agreement dated as of August 18, 2016, between the City and the Bank (said Term Loan Agreement, as the same may be amended, modified or restated from time to time, being referred to herein as the "Term Loan Agreement"), and the City hereby promises to pay interest at the office described above on the Loans evidenced hereby at the rate and at the times and in the manner specified therefor in the Term Loan Agreement.

This Note is issued by the City under the terms and provisions of the Term Loan Agreement, and this Note and the holder hereof are entitled to all of the benefits and security provided for thereby or referred to therein, to which reference is hereby made for a statement thereof. This Note may be declared to be, or be and become, due prior to its expressed maturity, voluntary prepayments may be made hereon, and certain prepayments are required to be made hereon, all in the events, on the terms and with the effects provided in the Term Loan Agreement. All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in the Term Loan Agreement.

The City hereby waives presentment for payment and demand. THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF ILLINOIS.

CITY OF DECATUR, MACON COUNTY, ILLINOIS

Mayor, City of Decatur,
Macon County, Illinois

Attest:

City Clerk, City of Decatur,
Macon County, Illinois

TERM LOAN AGREEMENT
(Street Improvements)

DATED AS OF
AUGUST 18, 2016,

BETWEEN

CITY OF DECATUR, MACON COUNTY, ILLINOIS

AND

BUSEY BANK
Decatur, Illinois

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TERM LOAN AGREEMENT

This Term Loan Agreement is entered into as of the 18th day of August, 2016, by and between the City of Decatur, Macon County, Illinois, a duly organized municipality, home rule unit and political subdivision of the State of Illinois (the “City”), and BUSEY BANK, a banking corporation located in Decatur, Illinois (the “Bank”). All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in Section 5.1 hereof.

PRELIMINARY STATEMENT

The City has requested, and the Bank has agreed to extend, a term loan on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. THE LOANS.

Section 1.1. Term Loans. Subject to the terms and conditions hereof, the Bank agrees to make one or more loans in an aggregate principal amount not to exceed \$7,500,000 on a cumulative basis (the “Commitment”, and the loans made pursuant thereto being hereinafter referred to individually as a “Loan” and collectively as the “Loans”) at any time on or before August 15, 2019 (the “Drawing Period”), at which time the Commitment shall expire; *provided* that the Bank shall make (or have made) Loans in the aggregate minimum amounts shown on *Schedule 1* by the dates shown on *Schedule 1*. Each Loan shall be in a minimum amount of \$50,000. The principal amount of each Loan shall permanently reduce the amount available under the Commitment, and no amount repaid or prepaid on any Loan may be borrowed again. The Loans shall be evidenced by a single promissory note of the City in the form (with appropriate insertions) attached hereto as *Exhibit A* (the “Note”). The Note shall be dated the date of issuance thereof and be expressed to bear interest as set forth in Section 2 hereof. The Note, and the Loans evidenced thereby, shall mature in semi-annual principal installments, payable on the February 15 and August 15 of each year (commencing February 15, 2017) with each principal installment equal to \$535,714.28 (without regard to any payments or prepayments thereof), except that the final installment on the Loans shall be in the amount of all principal not sooner paid and shall be due and payable on the Maturity Date.

Section 1.2. Manner and Disbursement of Loans. The City shall give written or telephonic notice to the Bank (which notice shall be irrevocable once given and, if given by telephone, shall be promptly confirmed in writing) by no later than 11:00 a.m. (Decatur time) on the date the City requests the Bank to make an advance of the Loans hereunder. Each such notice shall specify the date of the advance requested (which must be a Business Day) and the amount of such advance. The City agrees that the Bank may rely upon any written or telephonic notice given by any person the Bank in good faith believes is an officer or official of the City without the necessity of independent investigation and, in the event any telephonic notice

conflicts with the written confirmation, such telephonic notice shall govern if the Bank has acted in reliance thereon. Subject to the provisions of Section 7 hereof, the proceeds of each advance shall be made available to the City at the principal office of the Bank in Decatur, Illinois, in immediately available funds by deposit to the City's primary operating account maintained with the Bank or as otherwise agreed upon by the City and the Bank. Notwithstanding anything herein to the contrary, Loans shall be made in the minimum amounts shown on *Schedule 1* by the dates shown on *Schedule 1*.

SECTION 2. INTEREST.

The outstanding principal balance of the Loans shall bear interest (which the City hereby promises to pay) at the rate per annum equal to 2.85%. Interest on the Loans shall be payable semi-annually in arrears on February 15 and August 15 in each year and at maturity. The principal balance of Loans which remains unpaid past the Maturity Date shall bear interest at the rate set forth in the first sentence hereof until paid in full. Interest on the Loans shall be computed on the basis of a year of 360 days for the actual number of days elapsed.

SECTION 3. PREPAYMENTS AND APPLICATIONS.

Section 3.1. Voluntary Prepayments. The City shall have the privilege of prepaying without premium or penalty and in whole or in part (but if in part, then in an amount not less than \$50,000) the Note at any time upon notice to the Bank prior to 11:00 a.m. (Decatur time) on the date fixed for prepayment. Each such prepayment shall be made together with accrued interest thereon to the date of prepayment.

Section 3.2. Place and Application of Payments. All payments of principal, interest, fees, and all other Obligations payable under the Loan Documents shall be made to the Bank at its office at 130 North Water Street, Decatur, Illinois (or at such other place as the Bank may specify) no later than 1:00 p.m. (Decatur time) on the date any such payment is due and payable. Payments received by the Bank after 1:00 p.m. (Decatur time) shall be deemed received as of the opening of business on the next Business Day. All such payments shall be made in lawful money of the United States of America, in immediately available funds at the place of payment, without set-off or counterclaim and without reduction for, and free from, any and all present or future taxes, levies, imposts, duties, fees, charges, deductions, withholdings, restrictions, and conditions of any nature imposed by any government or any political subdivision or taxing authority thereof (but excluding any taxes imposed on or measured by the net income of the Bank). No amount repaid on the Note may be reborrowed, and partial prepayments of the Note shall be applied to the latest remaining installments thereof.

Section 3.3. Notations. The amount and date of the Loans and the amount and date of each payment of principal and interest thereon shall be recorded by the Bank on its books and records or, at its option, recorded on a schedule to the Note, and the amount of principal and interest shown on such books and records or such schedule as owing on the Note from time to time shall be prima facie evidence in any court or other proceeding brought to enforce the Note of the principal amount remaining unpaid thereon and the interest applicable thereto; *provided* that the failure of the Bank to record any of the foregoing shall not limit or otherwise affect the

obligation of the City to repay the principal amount owing on the Note together with accrued interest thereon.

SECTION 4. TAX TREATMENT.

Interest on the Note shall be excludable from gross income for federal income tax purposes. The City shall take all steps necessary to maintain such tax exempt status for the Note. The Bank shall be provided an opinion of tax counsel satisfactory to the Bank which concludes that interest on the Note is excludable from gross income for federal income tax purposes under Section 103 of the Code.

SECTION 5. DEFINITIONS; INTERPRETATION.

Section 5.1. Definitions. The following terms when used herein shall have the following meanings:

“*Agreement*” means this Term Loan Agreement, as the same may be amended, modified, or restated from time to time in accordance with the terms hereof.

“*Bank*” is defined in the introductory paragraph hereof.

“*Business Day*” means any day other than a Saturday or Sunday on which the Bank is not authorized or required to close in Decatur, Illinois.

“*City*” is defined in the introductory paragraph hereof.

“*Code*” means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

“*Commitment*” is defined in Section 1.1 hereof.

“*Default*” means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

“*Deposit Requirement*” means collections of the Local MFT in an amount sufficient to pay principal of and interest on the Note due on the next two payment dates.

“*Drawing Period*” is defined in Section 1.1 hereof.

“*Event of Default*” means any event or condition identified as such in Section 9.1 hereof.

“*Local MFT*” means the City’s local motor fuel tax, effective April 1, 2016, which is 5 cents per gallon of non-diesel fuel and 1 cent per gallon of diesel fuel purchase at retail or at bulk within the City.

“*Loans*” is defined in Section 1.1 hereof.

“*Loan Documents*” means this Agreement, the Note, and each other instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith.

“*Material Adverse Effect*” means (a) a material adverse change in, or material adverse effect upon, the operations of the City taken as a whole, (b) a material impairment of the ability of the City to perform its obligations under any Loan Document, or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the City of any Loan Document or the rights and remedies of the Bank thereunder.

“*Maturity Date*” means August 15, 2023.

“*Note*” is defined in Section 1.1 hereof.

“*Obligations*” means all obligations of the City to pay principal and interest on the Loans, all fees and charges payable hereunder, and all other payment obligations of the City arising under or in relation to any Loan Document, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held, or acquired.

“*Ordinance*” means the ordinance adopted by the Council of the City on the 15th day of August, 2016, authorizing the execution, delivery and performance of the Loan Documents on behalf of the City.

Section 5.2. Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words “*hereof*”, “*herein*”, and “*hereunder*” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references to time of day herein are references to Decatur, Illinois time unless otherwise specifically provided.

SECTION 6. REPRESENTATIONS AND WARRANTIES.

The City represents and warrants to the Bank as follows:

Section 6.1. Organization and Qualification. The City is duly organized, validly existing municipality, home rule unit and political subdivision under the laws of the State of Illinois.

Section 6.2. Authority and Validity of Obligations. The City has full right and authority to enter into this Agreement and the other Loan Documents, to make the borrowings herein provided for, to issue its Note in evidence thereof, and to perform all of its obligations hereunder and under the other Loan Documents. The Loan Documents delivered by the City have been duly authorized, executed, and delivered by authorized officers or officials of the City and constitute valid and binding obligations of the City enforceable against them in accordance with their terms except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, or similar laws affecting creditors’ rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity

or at law); and this Agreement and the other Loan Documents do not, nor does the performance or observance by the City of any of the matters and things herein or therein provided for, contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon the City.

Section 6.3. Use of Proceeds. The City shall use the proceeds of the Loans to finance the resurfacing and reconstruction of roads and streets throughout the City.

Section 6.4. Financial Reports. The City agrees to furnish financial information to the Bank upon request of the Bank from time to time. Such information shall be furnished as soon as reasonably possible, but in any event within 30 days after request by the Bank. The City agrees to furnish without the Bank's request its annual audited financial statements within 180 days of the end of the City's fiscal year or such later date as such annual audited financial statement becomes available.

Section 6.5. No Material Adverse Change. Since December 31, 2015, there has been no change in the condition (financial or otherwise) of the City except those occurring in the ordinary course, none of which individually or in the aggregate have been materially adverse.

Section 6.6. Full Disclosure. The statements and information furnished to the Bank in connection with the negotiation of this Agreement and the other Loan Documents and the commitment by the Bank to provide all or part of the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading, the Bank acknowledging that, as to any projections furnished to the Bank, the City only represents that the same were prepared on the basis of information and estimates the City believed to be reasonable.

Section 6.7. Governmental Authority and Licensing. The City has received all licenses, permits, and approvals of all federal, state, and local governmental authorities, if any, necessary to conduct its businesses, in each case where the failure to obtain or maintain the same could reasonably be expected to have a Material Adverse Effect. No investigation or proceeding which, if adversely determined, could reasonably be expected to result in revocation or denial of any material license, permit or approval is pending or, to the knowledge of the City, threatened.

Section 6.8. Litigation and Other Controversies. There is no litigation or governmental or arbitration proceeding or labor controversy pending, nor to the knowledge of the City threatened, against the City which if adversely determined could reasonably be expected to have a Material Adverse Effect.

Section 6.9. Taxes. All taxes, assessments, fees, and other governmental charges upon the City or upon any of its property or revenues, have been paid, except such taxes, assessments, fees, and governmental charges, if any, as are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and as to which adequate reserves have been provided.

Section 6.10. Approvals. No authorization, consent, license, or exemption from, or filing or registration with, any court or governmental department, agency, or instrumentality, nor any approval or consent, is or will be necessary to the valid execution, delivery, or performance by the City of any Loan Document, except for such approvals which have been obtained prior to the date of this Agreement and remain in full force and effect.

Section 6.11. Compliance with Laws. The City is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to its operations, non-compliance with which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 6.12. Other Agreements. The City is not in default under the terms of any covenant, indenture or agreement of or affecting the City, which default if uncured could reasonably be expected to have a Material Adverse Effect.

Section 6.13. No Default. No Default or Event of Default has occurred and is continuing.

Section 6.14. Security. The Loans shall be secured by the Note, which is payable solely from the collections of the Local MFT. The City hereby pledges, and to the extent permitted by law grants a security interest to the Bank in, the LSR Fund (as hereinafter defined) and all of the Local MFT of the City to secure the payment of and the performance by the City of its obligations under the Note.

Section 6.15. Local MFT Account. The City agrees to maintain the account containing the collections of the Local MFT (the "LSR Fund") at the Bank while the Note is outstanding. The Bank shall have no claim on the proceeds of the Note on deposit in the LSR Fund and the Bank shall have no claim on the collections of the Local MFT above the Deposit Requirement and the Bank understands that any collections of Local MFT in excess of the Deposit Requirement may be transferred out of the LSR Fund to be used to pay for the construction and maintenance of municipal streets and extension, sidewalk repairs and maintenance, curbing, grade extension and approaches, and engineering services related to the same. If an Event of Default occurs and is continuing, (a) the Bank shall use and withdraw collections of Local MFT in the LSR Fund from time to time to make required payments as such payments become due, and (b) the City shall not be entitled to use or withdraw any Local MFT collections from the LSR Fund without approval from the Bank.

SECTION 7. CONDITIONS PRECEDENT.

The obligation of the Bank to make any extension of credit under this Agreement is subject to the following conditions precedent:

Section 7.1. All Advances. As of the time of the making of any extension of credit hereunder:

(a) each of the representations and warranties set forth in Section 6 hereof and in the other Loan Documents shall be true and correct as of such time, except to the extent the same expressly relate to an earlier date; and

(b) no Default or Event of Default shall have occurred and be continuing or would occur as a result of making such extension of credit; and

(c) such extension of credit shall not violate any order, judgment, or decree of any court or other authority or any provision of law or regulation applicable to the Bank (including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System) as then in effect.

The City's request for any extension of credit hereunder shall constitute its warranty as to the facts specified in subsections (a), (b), and (c) above.

Section 7.2. Initial Advance. At or prior to the making of the initial extension of credit hereunder, the following conditions precedent shall also have been satisfied:

(a) the Bank shall have received the following (and, with respect to all documents, each to be properly executed and completed) and the same shall have been approved as to form and substance by the Bank:

(i) the Note;

(ii) certified copy of the Ordinance;

(iii) a certificate indicating that there is no proceeding contesting the legality of the Loan Documents or the proceedings pursuant to which the Loan Documents were authorized;

(iv) an incumbency certificate containing the name, title and genuine signature of the City's signatories to this Agreement and the Note; and

(v) such additional certificates, instruments and other documents as the Bank may deem necessary with respect to the issuance and sale of the Note, all in form and substance satisfactory to the Bank;

(b) the Bank shall have received the initial fees called for hereby;

(c) legal matters incident to the execution and delivery of the Loan Documents and to the transactions contemplated hereby shall be satisfactory to the Bank and its counsel; and the Bank shall have received the favorable written opinion of counsel for the City in form and substance satisfactory to the Bank and its counsel; and

(d) the Bank shall have received such other agreements, instruments, documents, certificates and opinions as the Bank may reasonably request.

Section 7.3. Opinions of Bond Counsel. The City shall provide to the Bank on August 18, 2017, August 18, 2018 and within 30 days of the final draw of the Loan an opinion of bond counsel, satisfactory to the Bank, regarding the federal income tax treatment of interest on the amount issued and drawn on the Note as of the date of such opinion; *provided that*, if the City intends to draw the maximum amount of the Loan by October 1, 2018 then the City shall not be required to deliver an opinion of bond counsel to the Bank on August 18, 2018.

SECTION 8. COVENANTS.

The City agrees that, so long as any credit is available to or in use by the City hereunder, except to the extent compliance in any case or cases is waived in writing by the Bank:

Section 8.1. Maintenance of Existence. The City shall preserve and maintain its existence. The City shall preserve and keep in force and effect all licenses, permits and franchises necessary to the proper conduct of its business, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 8.2. Maintenance of Properties. The City shall maintain, preserve, and keep its municipal property in good repair, working order and condition (ordinary wear and tear excepted) and shall from time to time make all needful and proper repairs, renewals, replacements, additions, and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained.

Section 8.3. Taxes and Assessments. The City shall duly pay and discharge all taxes, rates, assessments, fees, and governmental charges upon, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves are provided therefor.

Section 8.4. Insurance. The City shall insure and keep insured, with good and responsible insurance companies, its insurable property by it which is of a character usually insured by municipalities similarly situated and operating against loss or damage from such hazards and risks, and in such amounts, as are insured by municipalities similarly situated and operating. The City shall upon request furnish to the Bank a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section.

SECTION 9. EVENTS OF DEFAULT AND REMEDIES.

Section 9.1. Events of Default. Any one or more of the following shall constitute an "Event of Default" hereunder:

- (a) default in the payment when due of all or any part of any Obligation payable hereunder or under any other Loan Document (whether at the stated maturity thereof or at any other time provided for in this Agreement);

(b) default in the observance or performance of any provision hereof or of any other Loan Document which is not remedied within 30 days after the earlier of (i) the date on which such failure shall first become known to any officer of the City or (ii) written notice thereof is given to the City by the Bank;

(c) any representation or warranty made by the City herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any extension of credit made hereunder, proves untrue in any material respect as of the date of the issuance or making thereof;

(d) the institution by or against the City of any bankruptcy or similar proceeding for the relief of debtors or the appointment of any receiver for any such party or any of its property; or

(e) the City fails to comply with or to perform any term, obligation, covenant or condition contained in any agreement between the Bank and the City.

Section 9.2. Defaults. When any Event of Default has occurred and is continuing, the Bank may, by notice to the City, take one or more of the following actions:

(a) terminate the obligation of the Bank to extend any further credit hereunder on the date (which may be the date thereof) stated in such notice; and

(b) enforce any and all rights and remedies available to it under the Loan Documents or applicable law.

Section 9.3. Extension Under Default The City agrees that at any time that an Event of Default exists by virtue of a default in the payment of all or any part of any Obligation payable hereunder or under any other Loan Document on the Maturity Date, the provisions of this Agreement shall continue in full force and effect, including specifically Sections 6.14 and 6.15 hereof, until such Obligation or portion thereof has been paid in full.

SECTION 10. MISCELLANEOUS.

Section 10.1. Non-Business Days. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which date such payment shall be due and payable. In the case of any payment of principal falling due on a day which is not a Business Day, interest on such principal amount shall continue to accrue during such extension at the rate per annum then in effect, which accrued amount shall be due and payable on the next scheduled date for the payment of interest.

Section 10.2. No Waiver, Cumulative Remedies. No delay or failure on the part of the Bank or on the part of the holder of the Obligations in the exercise of any power or right shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of

any other power or right. The rights and remedies hereunder of the Bank and of the holder of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 10.3. Amendments, Etc. No amendment, modification, termination or waiver of any provision of this Agreement or of any other Loan Document, nor consent to any departure by the City therefrom, shall in any event be effective unless the same shall be in writing and signed by the Bank. No notice to or demand on the City in any case shall entitle the City to any other or further notice or demand in similar or other circumstances.

Section 10.4. Costs and Expenses; Indemnification. (a) The City agrees to pay on demand the costs and expenses of the Bank in connection with the negotiation, preparation, execution and delivery of this Agreement, the other Loan Documents and the other instruments and documents to be delivered hereunder or thereunder, and in connection with the transactions contemplated hereby or thereby, including the reasonable fees and expenses of counsel for the Bank with respect to all of the foregoing (whether or not the transactions contemplated hereby are consummated).

(b) The City further agrees to indemnify to the extent permitted by law the Bank and its respective directors, officers and employees, against all losses, claims, damages, penalties, judgments, liabilities and expenses which any of them may pay or incur arising out of or relating to any Loan Document or any of the transactions contemplated thereby.

Section 10.5. Survival of Representations. All representations and warranties made herein or in any of the other Loan Documents or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 10.6. Notices. Except as otherwise specified herein, all notices hereunder shall be in writing (including, without limitation, notice by telecopy) and shall be given to the relevant party at its address or telecopier number set forth below, or such other address or telecopier number as such party may hereafter specify by notice to the other given by courier, by United States certified or registered mail, by telecopy or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices hereunder shall be addressed:

to the City at:

City Hall
#1 Gary K. Anderson Plaza
Decatur, Illinois 62523
Attention: City Treasurer and
Director of Finance
Telephone: (217) 450-2226

to the Bank at:

Busey Bank
130 North Water Street
Decatur, Illinois 62523
Attention: Kelly O. White
Vice President
Telephone: (217) 362-2701

Each such notice, request or other communication shall be effective (i) if given by telecopier, when such telecopy is transmitted to the telecopier number specified in this Section and a

confirmation of such telecopy has been received by the sender, (ii) if given by mail, five (5) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section; provided that any notice given pursuant to Section 1 or Section 2 hereof shall be effective only upon receipt.

Section 10.7. Headings. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 10.8. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 10.9. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterpart signature pages, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

Section 10.10. Binding Nature, Governing Law, Etc. This Agreement shall be binding upon the City and shall inure to the benefit of the Bank and the benefit of its successors and assigns, including any subsequent holder of the Obligations. The City may not assign its rights hereunder without the written consent of the Bank. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. This Agreement and the rights and duties of the parties hereto shall be governed by, and construed in accordance with, the laws of the State of Illinois.

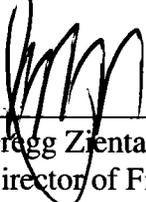
Section 10.11. Waiver of Jury Trial; Venue. The City and the Bank hereby irrevocably waive to the extent permitted by law any and all right to trial by jury in any legal proceeding arising out of or relating to any Loan Document or the transactions contemplated thereby. The City and the Bank hereby irrevocably agree that any action or proceeding in any way, manner or respect arising out of any Loan Document or any amendment, instrument, document or agreement delivered or which may in the future be delivered in connection therewith, or arising from any dispute or controversy arising in connection with or related to any Loan Document or any such amendment, instrument, document or agreement, shall be litigated only in courts having situs within The County of Macon, Illinois, and each of the City and the Bank hereby consents and submits to the jurisdiction of any local, state or federal court located within such County and State.

[SIGNATURE PAGE TO FOLLOW]

This Term Loan Agreement is entered into between us for the uses and purposes hereinabove set forth as of the date first above written.

"CITY"

CITY OF DECATUR, MACON COUNTY, ILLINOIS

By: 
Name: Gregg Zientara
Title: Director of Finance

Attest:


City Clerk, City of Decatur,
Macon County, Illinois

"BANK"

BUSEY BANK

By: _____
Name: _____
Title: _____

This Term Loan Agreement is entered into between us for the uses and purposes hereinabove set forth as of the date first above written.

"CITY"

CITY OF DECATUR, MACON COUNTY, ILLINOIS

By: _____

Name: Gregg Zientara

Title: Director of Finance

Attest:

City Clerk, City of Decatur,
Macon County, Illinois

"BANK"

BUSEY BANK

By:  _____

Name: Kelly Q White

Title: Vice President

SCHEDULE 1

MINIMUM LOAN SCHEDULE

| <u>Date</u> | <u>Aggregate Minimum Loan Requirement</u> |
|-------------|---|
| 02/01/2017 | \$1,000,000 |
| 08/01/2017 | 1,100,000 |
| 02/01/2018 | 4,000,000 |
| 08/15/2019 | 7,500,000 |

EXHIBIT A
PROMISSORY NOTE

\$7,500,000

Dated August 18, 2016

FOR VALUE RECEIVED, the undersigned, City of Decatur, Macon County, Illinois, a duly organized municipality, home rule unit and political subdivision of the State of Illinois (the "City"), hereby promises to pay to the order of BUSEY BANK (the "Bank") at its office at 130 North Water Street, Decatur, Illinois, the lesser of Seven Million Five Hundred Thousand and 00/100 DOLLARS (\$7,500,000), and the aggregate principal balance of the Loans advanced to the City by the Bank under the Commitment provided for in the Term Loan Agreement hereafter mentioned, payable in principal installments in the amounts and at the times set forth in Section 1.1 of the Term Loan Agreement, with a final installment of all principal not sooner paid due and payable on the Maturity Date.

This Note evidences the Loans made to the City by the Bank under that certain Term Loan Agreement dated as of August 18, 2016, between the City and the Bank (said Term Loan Agreement, as the same may be amended, modified or restated from time to time, being referred to herein as the "Term Loan Agreement"), and the City hereby promises to pay interest at the office described above on the Loans evidenced hereby at the rate and at the times and in the manner specified therefor in the Term Loan Agreement.

This Note is issued by the City under the terms and provisions of the Term Loan Agreement, and this Note and the holder hereof are entitled to all of the benefits and security provided for thereby or referred to therein, to which reference is hereby made for a statement thereof. This Note may be declared to be, or be and become, due prior to its expressed maturity, voluntary prepayments may be made hereon, and certain prepayments are required to be made hereon, all in the events, on the terms and with the effects provided in the Term Loan Agreement. All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in the Term Loan Agreement.

The City hereby waives presentment for payment and demand. THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF ILLINOIS.

CITY OF DECATUR, MACON COUNTY, ILLINOIS

Mayor, City of Decatur,
Macon County, Illinois

Attest:

City Clerk, City of Decatur,
Macon County, Illinois

STATE OF ILLINOIS)
) SS
COUNTY OF MACON)

**CLOSING CERTIFICATE AND REQUEST
OF THE CITY OF DECATUR, MACON COUNTY, ILLINOIS
\$7,500,000 PROMISSORY NOTE (STREET IMPROVEMENTS)**

We, the undersigned, do hereby certify that we are the duly qualified and acting officers, respectively, of the City of Decatur, Macon County, Illinois (the “City”), as indicated by the titles shown opposite our names hereinafter set forth, and as such officers we do further certify that we have reviewed the books, files and records in our care and custody and that, from such review, we do further certify as follows:

A. ORGANIZATIONAL FACTS.

The statements made and information provided in that certain certificate entitled, “General and Preliminary Certificate” and dated August 15, 2016, are true and correct as if made the date hereof.

B. AUTHENTICATION OF DOCUMENTS AND EXECUTION OF NOTE.

1. A not to exceed \$7,500,000 aggregate principal amount Promissory Note (the “Note”) was authorized by the Council of the City at its meeting of August 15, 2016, pursuant to an ordinance entitled:

ORDINANCE providing for the issuance of a not to exceed \$7,500,000 Promissory Note of the City of Decatur, Macon County, Illinois, to pay the costs of resurfacing and reconstructing local roads and streets within the City, providing for the security for and payment of said note, confirming the sale thereof to Busey Bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents.

(the “Ordinance”).

2. We are (one or more) the persons signatory to the Ordinance; we were on the date or dates of the execution of the Ordinance and are on the date hereof the duly elected and qualified incumbents of the offices of the City as set forth herein; and the signatures appearing at the right of our respective names at the end of this Certificate are our genuine signatures.

3. The undersigned Mayor and City Clerk have caused the execution on behalf of the City of the Note, originally dated the date hereof and drawn under the Term Loan Agreement (the “Agreement”), dated the date hereof, between the City and Busey Bank, Decatur, Illinois (the “Bank”). The Note shall mature in semi-annual principal installments, payable on

February 15 and August 15 of each year (commencing February 15, 2017) with each principal installment equal to \$535,714.28 (without regard to any payments or prepayments thereof), except that the final installment shall be in the amount of all principal not sooner paid and shall be due and payable on August 15, 2023.

4. The City has duly authorized, executed and delivered by all necessary action the Note, the Agreement and the Ordinance, and as of the date hereof, each is in full force and effect and each constitutes the valid, binding and enforceable obligation of the City, and the City is entitled to the benefits of the same. The City has authorized by all necessary action the execution, delivery, receipt and due performance of each of the foregoing instruments and any and all such other agreements and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated by the foregoing instruments. No other consent, approval, authorization or order of any court or governmental agency or body is required for the issuance, delivery or sale of the Note or the consummation of the other transactions affected or contemplated in or by the Agreement or the Ordinance.

5. The seal affixed to this certificate and which has been affixed to the Ordinance (where required) is the legally adopted, proper and only official corporate seal of the City.

6. All of the conditions and agreements provided in the Ordinance and the Agreement to be satisfied or performed by the City at or prior to the issuance of the Note have been satisfied or performed in the manner and with the effect contemplated therein.

7. We do further certify that to the best of our knowledge and belief all documents, information or materials, together with any supplements thereto, distributed and all representations made by the City and by its officials in any manner whatsoever in connection with the issuance of the Note did not at any time and do not now contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

C. NON-LITIGATION, NO BREACH OF OBLIGATION AND NO DEFAULT.

1. No controversy or litigation is threatened or pending in any court, no referendum or public vote is threatened or pending and no action, suit, inquiry, investigation or proceeding at law or in equity before or by any court, governmental agency, authority, body, board or arbitrator is threatened or pending (a) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Note, or the payment of the Note, or the expenditure of the Note proceeds; (b) in any way questioning or affecting the validity of the Note, the Ordinance, the Agreement, the financing of the Project (as defined in the Ordinance) or any proceedings taken by the City with respect to the foregoing, or (c) questioning or contesting the City's creation, organization, home rule status or corporate existence, the titles to office of any of its officers or its power to engage in any of the transactions contemplated by the Ordinance, the Agreement or the Note, or (d) in any way contesting or affecting the execution or delivery by the City of the Ordinance or the Agreement or the authority of the City to spend the Note proceeds.

2. The City is not in breach of or default under any applicable law or administrative regulation of the State of Illinois or the United States of America, or any applicable judgment or decree, or any loan agreement, note, regulation, or other agreement or instrument to which the City is a party or is otherwise subject, which breach or default would in any way materially adversely affect the authorization or issuance of the Note, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default; and neither the execution or delivery of the Note, the adoption of the Ordinance, nor the execution of the Agreement, and compliance with the provisions thereof will conflict with or constitute such a breach or default.

3. Upon the issuance of the Note, no event of default exists under the Ordinance or the Agreement upon the part of the City nor an event which with notice or with lapse of time or both would become an event of default has occurred.

D. RECEIPT.

1. Consideration from the Bank for the issuance of the Note on the date hereof in the amount of \$50,000, as the "Outstanding Principal Amount", is hereby acknowledged.

2. Such amount received from this sale of the Note will be used for the purposes described in the Ordinance.

3. The City has no outstanding obligations payable from the Local MFT (as defined in the Agreement), except for the Note.

E. REQUEST.

Pursuant to the provisions of the Ordinance, the City Treasurer is hereby requested to deliver the Note to the Bank.

F. NO CONFLICT OF INTEREST.

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 Note or the Agreement.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures and the seal of the City this 18th day of August, 2016.

SIGNATURE

TITLE

Julia Moore Wolfe

Mayor, City of Decatur, Macon County, Illinois

[Signature]

City Treasurer, City of Decatur, Macon County, Illinois

[Signature]

City Clerk, City of Decatur, Macon County, Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF MACON)

**CLOSING CERTIFICATE AND REQUEST
OF THE CITY OF DECATUR, MACON COUNTY, ILLINOIS
\$2,200,000 PROMISSORY NOTE (FIRE STATION PROJECTS)**

We, the undersigned, do hereby certify that we are the duly qualified and acting officers, respectively, of the City of Decatur, Macon County, Illinois (the “City”), as indicated by the titles shown opposite our names hereinafter set forth, and as such officers we do further certify that we have reviewed the books, files and records in our care and custody and that, from such review, we do further certify as follows:

A. ORGANIZATIONAL FACTS.

The statements made and information provided in that certain certificate entitled, “General and Preliminary Certificate” and dated August 15, 2016, are true and correct as if made the date hereof.

B. AUTHENTICATION OF DOCUMENTS AND EXECUTION OF NOTE.

1. A not to exceed \$2,200,000 aggregate principal amount Promissory Note (the “Note”) was authorized by the Council of the City at its meeting of August 15, 2016, pursuant to an ordinance entitled:

ORDINANCE providing for the issuance of a not to exceed \$2,200,000 Promissory Note of the City of Decatur, Macon County, Illinois, to pay the costs of renovating, repairing and maintaining the City’s Fire Stations Numbers 1, 2, 4 and 6, providing for the security for and payment of said note, confirming the sale thereof to Busey Bank, and authorizing the execution and delivery of a Term Loan Agreement and related documents.

(the “Ordinance”).

2. We are (one or more) the persons signatory to the Ordinance; we were on the date or dates of the execution of the Ordinance and are on the date hereof the duly elected and qualified incumbents of the offices of the City as set forth herein; and the signatures appearing at the right of our respective names at the end of this Certificate are our genuine signatures.

3. The undersigned Mayor and City Clerk have caused the execution on behalf of the City of the Note, originally dated the date hereof and drawn under the Term Loan Agreement (the “Agreement”), dated the date hereof, between the City and Busey Bank, Decatur, Illinois (the “Bank”). The Note shall mature in semi-annual principal installments, payable on

February 15 and August 15 of each year (commencing February 15, 2017) with each principal installment equal to \$157,142.85 (without regard to any payments or prepayments thereof), except that the final installment shall be in the amount of all principal not sooner paid and shall be due and payable on August 15, 2023.

4. The City has duly authorized, executed and delivered by all necessary action the Note, the Agreement and the Ordinance, and as of the date hereof, each is in full force and effect and each constitutes the valid, binding and enforceable obligation of the City, and the City is entitled to the benefits of the same. The City has authorized by all necessary action the execution, delivery, receipt and due performance of each of the foregoing instruments and any and all such other agreements and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated by the foregoing instruments. No other consent, approval, authorization or order of any court or governmental agency or body is required for the issuance, delivery or sale of the Note or the consummation of the other transactions affected or contemplated in or by the Agreement or the Ordinance.

5. The seal affixed to this certificate and which has been affixed to the Ordinance (where required) is the legally adopted, proper and only official corporate seal of the City.

6. All of the conditions and agreements provided in the Ordinance and the Agreement to be satisfied or performed by the City at or prior to the issuance of the Note have been satisfied or performed in the manner and with the effect contemplated therein.

7. We do further certify that to the best of our knowledge and belief all documents, information or materials, together with any supplements thereto, distributed and all representations made by the City and by its officials in any manner whatsoever in connection with the issuance of the Note did not at any time and do not now contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

C. NON-LITIGATION, NO BREACH OF OBLIGATION AND NO DEFAULT.

1. No controversy or litigation is threatened or pending in any court, no referendum or public vote is threatened or pending and no action, suit, inquiry, investigation or proceeding at law or in equity before or by any court, governmental agency, authority, body, board or arbitrator is threatened or pending (a) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Note, or the payment of the Note, or the expenditure of the Note proceeds; (b) in any way questioning or affecting the validity of the Note, the Ordinance, the Agreement, the financing of the Project (as defined in the Ordinance) or any proceedings taken by the City with respect to the foregoing, or (c) questioning or contesting the City's creation, organization, home rule status or corporate existence, the titles to office of any of its officers or its power to engage in any of the transactions contemplated by the Ordinance, the Agreement or the Note, or (d) in any way contesting or affecting the execution or delivery by the City of the Ordinance or the Agreement or the authority of the City to spend the Note proceeds.

2. The City is not in breach of or default under any applicable law or administrative regulation of the State of Illinois or the United States of America, or any applicable judgment or decree, or any loan agreement, note, regulation, or other agreement or instrument to which the City is a party or is otherwise subject, which breach or default would in any way materially adversely affect the authorization or issuance of the Note, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default; and neither the execution or delivery of the Note, the adoption of the Ordinance, nor the execution of the Agreement, and compliance with the provisions thereof will conflict with or constitute such a breach or default.

3. Upon the issuance of the Note, no event of default exists under the Ordinance or the Agreement upon the part of the City nor an event which with notice or with lapse of time or both would become an event of default has occurred.

D. RECEIPT.

1. Consideration from the Bank for the issuance of the Note on the date hereof in the amount of \$50,000, as the "Outstanding Principal Amount", is hereby acknowledged.

2. Such amount received from this sale of the Note will be used for the purposes described in the Ordinance.

E. REQUEST.

Pursuant to the provisions of the Ordinance, the City Treasurer is hereby requested to deliver the Note to the Bank.

F. NO CONFLICT OF INTEREST.

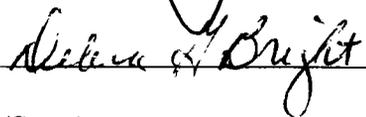
No person holding any office of the City, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Note or the Agreement.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures and the seal of the City this 18th day of August, 2016.

SIGNATURE

TITLE





Mayor, City of Decatur, Macon County, Illinois

City Treasurer, City of Decatur, Macon County, Illinois

City Clerk, City of Decatur, Macon County, Illinois

(SEAL)

August 18, 2016

Chapman and Cutler LLP
Chicago, Illinois

Busey Bank
Decatur, Illinois

RE: City of Decatur, Macon County, Illinois,
Promissory Note

Ladies and Gentlemen:

I, the undersigned, do hereby certify that I am the Corporation Counsel for the City of Decatur, Macon County, Illinois (the "*City*"), and in connection with the execution and delivery of its not to exceed \$7,500,000 aggregate principal amount Promissory Note (the "*Note*"), I have examined the public records, proceedings and documents of the City in connection with the execution and delivery of the Note that I consider necessary for the purpose of this opinion, including but not limited to that certain ordinance adopted August 15, 2016, authorizing the issuance of the Note by the Council of the City (the "*Corporate Authorities*"), pursuant to which the City has pledged the City's local motor fuel tax, effective April 1, 2016, which is 5 cents per gallon of non-diesel fuel and 1 cent per gallon of diesel fuel purchase at retail or at bulk within the City (the "*Local MFT*") to the payment of the Note (the "*Ordinance*"). I have also examined an executed copy of that certain Term Loan Agreement dated the date hereof, by and between the City and Busey Bank, Decatur, Illinois (the "*Agreement*").

Based upon the foregoing and upon such other information and documents furnished to us as I believe necessary, I am of the further opinion that:

(i) the City is a body politic and corporate constituting a public instrumentality and political subdivision, and is a home rule unit duly created, organized and existing under the laws of the State of Illinois and has full legal right, power and authority to adopt the Ordinance, to consummate all transactions contemplated thereby, to issue the Note for the purposes described in the Ordinance, to execute the Agreement, and to pledge the Local MFT to the payment of the Note;

(ii) each of the members or officers of the City executing the closing documents executed in connection with the delivery of the Note has been authorized to do so;

(iii) the Ordinance was duly authorized and adopted by the City and is in full force and effect, and has not been amended, modified, revoked, repealed or supplemented since the date thereof. The Ordinance was adopted in accordance with the procedural

rules of the Corporate Authorities, the Open Meetings Act, as amended, and the Municipal Code of the State of Illinois, as amended, except as said Act and said Code may be validly superseded by the home rule powers of the City;

(iv) the Note and the Agreement have been duly authorized by all necessary action on the part of the City, and have been duly executed by authorized officers of the City; the Note, when paid for as provided by the Ordinance, will have been validly issued by the City and will constitute the legal, valid and binding obligation of the City enforceable against the City in accordance with its terms, except that the rights of the owners of the Note and the enforceability of the Note may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion;

(v) after due inquiry of appropriate City officials and agents and to the best of my knowledge and belief, (i) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the City or, to my knowledge, threatened against the City, to restrain or enjoin, or threatening or seeking to restrain or enjoin, the issuance, sale or delivery of the Note or the collection of the Local MFT to pay the principal of and interest on the Note, or in any way contesting or affecting the validity of the Note or the Agreement, or in any way questioning or affecting (A) the Ordinance, (B) any other proceedings under which the Note is to be issued, (C) the validity or enforceability of any provision of the Note or the Agreement, the Ordinance or any other agreement relating to the Note (including but not limited to the Agreement), (D) the authority of the City to impose and collect the Local MFT, (E) the legal existence of the City, the home rule status or powers of the City, the right of its officers to their offices, the City's authority to perform its obligations pursuant to the Ordinance and the Agreement or with respect to the Note, or to consummate any of the transactions to which it is or is to be a party as contemplated by the Ordinance or the Agreement or (F) the Project (as defined in the Ordinance); and (ii) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the City or, to my knowledge, threatened against the City, involving any of the property or assets within the City which may result in any material adverse change in the revenues, assets or the financial condition of the City;

(vi) there is no lien or encumbrance on the Local MFT or the other funds pledged to the payment of the Note that is senior to the claims of the holder of the Note; there is to my knowledge (as due investigation) no existing, pending, threatened, or anticipated event or circumstance which might give rise to any lien or encumbrance on the Local MFT or the other funds pledged to the payment of the Note which would be senior to the claims of the holder of the Note;

(vii) no additional approval, permit, consent, authorization or order from any court of any governmental or public agency, authority or person not already obtained is required with respect to the authority of the City in connection with the authorization and

of the Note pursuant to the Ordinance, the execution of the Agreement or for the adoption or effectiveness of the Ordinance;

(viii) upon due inquiry of City officials and agents, to the best of my knowledge and belief, there is no action, suit, proceeding or investigation at law or in equity before or by any court, governmental agency or public board or body, pending or threatened against or affecting the City wherein an unfavorable decision, ruling or finding would in my judgment in any way materially and adversely affect the transactions described in or contemplated by the Ordinance or the Agreement or the validity or enforceability of the Ordinance or the Agreement, or to which the City is or is to be a party or the Note; and

(ix) as of the date of this opinion, the adoption of the Ordinance, the execution of and delivery by the City of the Note and the Agreement and compliance by the City with the provisions thereof under the circumstances contemplated thereby, do not and will not violate any applicable judgment, order or regulations of any court or of any public or governmental agency or authority, and will not conflict with, or result in a breach of any of the terms and provisions of, or constitute a default under, any existing laws, court or administrative regulation, decree, order, or any agreement, indenture, mortgage, lease or other instrument to which the City is subject or by which it is or may be bound.



Wendy L. Moxthland, Esq.
Corporation Counsel
City of Decatur, Macon County,
Illinois

August 18, 2016

Chapman and Cutler LLP
Chicago, Illinois

Busey Bank
Decatur, Illinois

RE: City of Decatur, Macon County, Illinois,
Promissory Note

Ladies and Gentlemen:

I, the undersigned, do hereby certify that I am the Corporation Counsel for the City of Decatur, Macon County, Illinois (the "*City*"), and in connection with the execution and delivery of its not to exceed \$2,200,000 aggregate principal amount Promissory Note (the "*Note*"), I have examined the public records, proceedings and documents of the City in connection with the execution and delivery of the Note that I consider necessary for the purpose of this opinion, including but not limited to that certain ordinance adopted August 15, 2016, authorizing the issuance of the Note by the Council of the City (the "*Corporate Authorities*"), which is payable solely from funds of the City lawfully available for such purpose (the "*Ordinance*"). I have also examined an executed copy of that certain Term Loan Agreement dated the date hereof, by and between the City and Busey Bank, Decatur, Illinois (the "*Agreement*").

Based upon the foregoing and upon such other information and documents furnished to us as I believe necessary, I am of the further opinion that:

(i) the City is a body politic and corporate constituting a public instrumentality and political subdivision, and is a home rule unit duly created, organized and existing under the laws of the State of Illinois and has full legal right, power and authority to adopt the Ordinance, to consummate all transactions contemplated thereby, to issue the Note for the purposes described in the Ordinance and to execute the Agreement;

(ii) each of the members or officers of the City executing the closing documents executed in connection with the delivery of the Note has been authorized to do so;

(iii) the Ordinance was duly authorized and adopted by the City and is in full force and effect, and has not been amended, modified, revoked, repealed or supplemented since the date thereof. The Ordinance was adopted in accordance with the procedural rules of the Corporate Authorities, the Open Meetings Act, as amended, and the Municipal Code of the State of Illinois, as amended, except as said Act and said Code may be validly superseded by the home rule powers of the City;

(iv) the Note and the Agreement have been duly authorized by all necessary action on the part of the City, and have been duly executed by authorized officers of the City; the Note, when paid for as provided by the Ordinance, will have been validly issued by the City and will constitute the legal, valid and binding obligation of the City enforceable against the City in accordance with its terms, except that the rights of the owners of the Note and the enforceability of the Note may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion;

(v) after due inquiry of appropriate City officials and agents and to the best of my knowledge and belief, (i) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the City or, to my knowledge, threatened against the City, to restrain or enjoin, or threatening or seeking to restrain or enjoin, the issuance, sale or delivery of the Note, or in any way contesting or affecting the validity of the Note or the Agreement, or in any way questioning or affecting (A) the Ordinance, (B) any other proceedings under which the Note is to be issued, (C) the validity or enforceability of any provision of the Note or the Agreement, the Ordinance or any other agreement relating to the Note (including but not limited to the Agreement), (D) the legal existence of the City, the home rule status or powers of the City, the right of its officers to their offices, the City's authority to perform its obligations pursuant to the Ordinance and the Agreement or with respect to the Note, or to consummate any of the transactions to which it is or is to be a party as contemplated by the Ordinance or the Agreement or (E) the Project (as defined in the Ordinance); and (ii) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the City or, to my knowledge, threatened against the City, involving any of the property or assets within the City which may result in any material adverse change in the revenues, assets or the financial condition of the City;

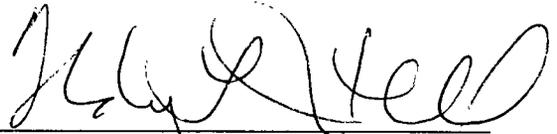
(vi) there is no lien or encumbrance on any funds pledged to the payment of the Note that is senior to the claims of the holder of the Note; there is to my knowledge (as due investigation) no existing, pending, threatened, or anticipated event or circumstance which might give rise to any lien or encumbrance on any funds pledged to the payment of the Note which would be senior to the claims of the holder of the Note;

(vii) no additional approval, permit, consent, authorization or order from any court of any governmental or public agency, authority or person not already obtained is required with respect to the authority of the City in connection with the authorization and issuance of the Note pursuant to the Ordinance, the execution of the Agreement or for the adoption or effectiveness of the Ordinance;

(viii) upon due inquiry of City officials and agents, to the best of my knowledge and belief, there is no action, suit, proceeding or investigation at law or in equity before or by any court, governmental agency or public board or body, pending or threatened against or affecting the City wherein an unfavorable decision, ruling or finding would in

judgment in any way materially and adversely affect the transactions described in or contemplated by the Ordinance or the Agreement or the validity or enforceability of the Ordinance or the Agreement, or to which the City is or is to be a party or the Note; and

(ix) as of the date of this opinion, the adoption of the Ordinance, the execution of and delivery by the City of the Note and the Agreement and compliance by the City with the provisions thereof under the circumstances contemplated thereby, do not and will not violate any applicable judgment, order or regulations of any court or of any public or governmental agency or authority, and will not conflict with, or result in a breach of any of the terms and provisions of, or constitute a default under, any existing laws, court or administrative regulation, decree, order, or any agreement, indenture, mortgage, lease or other instrument to which the City is subject or by which it is or may be bound.



Wendy L. Morthland, Esq.
Corporation Counsel
City of Decatur, Macon County,
Illinois

TAX EXEMPTION CERTIFICATE AND AGREEMENT

\$7,500,000

CITY OF DECATUR, MACON COUNTY, ILLINOIS

PROMISSORY NOTE (STREET IMPROVEMENTS)

August 18, 2016

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TAX EXEMPTION CERTIFICATE AND AGREEMENT

The undersigned is a duly qualified officer of the City of Decatur, Macon County, Illinois (the "City"), and is charged, with others, with the responsibility for executing and delivering the Note. Certain terms are defined in Article I hereof. Terms used herein and not defined in Article I shall have the meanings given to them in the Ordinance.

One purpose of executing this Tax Agreement is to set forth various facts regarding the Note and to establish the expectations of the City as to future events regarding the Note and the use of Note proceeds. The certifications, covenants and representations contained herein (except for Section 7.10 of this Tax Agreement) are made on behalf of the City for the benefit of the owners from time to time of the Note.

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 Note) if taking, permitting or omitting to take such action would cause the Note to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Note to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the Note, 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 Internal Revenue Service in connection with such an examination.

ARTICLE I

DEFINITIONS

In addition to such other words and terms used and defined in this Tax Agreement, the following words and terms used in this Tax Agreement shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

"Affiliated Person" means a Person that is affiliated with another Person (including the City) because either (a) at any time during the six months prior to the execution and delivery of the Note, more than five percent of the voting power of the governing body of either Person is in the aggregate vested in the other Person and its directors, officers, owners, and employees, or (b) during the one-year period beginning six months prior to the execution and delivery of the Note, the composition of the governing body of the Person (or any Person that controls the Person) is modified or established to reflect (directly or indirectly) representation of the interests of the other Person (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

"Bond Counsel" means Chapman and Cutler LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“*Capital Expenditures*” means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the City were treated as a corporation subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

“*City*” is defined in the preamble to this Tax Agreement.

“*Closing*” means the date of this Tax Agreement, which is the first date on which the City is receiving the purchase price for the Note.

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

“*Commingled Fund*” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds, if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

“*Control*” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

- (a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or
- (b) to require the use of funds or assets of a Controlled Entity for any purpose.

“*Controlled Entity*” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“*Controlled Group*” means a group of entities directly or indirectly subject to Control by the same entity or group of entities. A Controlled Group includes the entity that has Control of the other entities.

“*Controlling Entity*” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“*Costs of Issuance*” means the costs of issuing the Note.

“*External Commingled Fund*” means a Commingled Fund in which the City and all members of the same Controlled Group as the City own, in the aggregate, not more than ten percent of the beneficial interests.

“*GIC*” means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

“*Gross Proceeds*” means amounts in the funds listed on *Exhibit D* hereto.

“*Note*” means the Note of the City described on the cover page of the Tax Agreement.

“*Note Fund*” means the Local Street and Road Fund established pursuant to the Ordinance.

“*Ordinance*” means the ordinance authorizing the issuance of the Note, as adopted by the Council of the City on August 15, 2016.

“*Person*” means and includes any individual, body politic, governmental unit, agency or authority, trust, estate, partnership, association, company, corporation, joint-stock company, syndicate, group, pool, joint venture, other unincorporated organization or group, or group of any of the above.

“*Placed-in-Service*” means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

“*Private Business Use*” means any use of the Project by any Person (including the federal government) other than a state or local governmental unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any Person other than a state or local governmental unit (i) that conveys special legal entitlements to any portion of the Project, or (ii) under which any Person other than a state or local governmental unit has any special economic benefit with respect to any portion of the Project that is not available for use by the general public.

“*Project*” means all property financed, refinanced or reimbursed with proceeds (including investment earnings) of the Note, including the costs of resurfacing and reconstructing local roads and streets within the City.

“*Project Fund*” means the Local Street and Road Fund established pursuant to the Ordinance.

“*Purchaser*” means the purchaser of the Note from the City.

“*Qualified Administrative Costs of Investments*” means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

“Qualified Tax Exempt Obligations” means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest that is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344 (this clause (c) applies only to demand deposit SLGS, not to other types of SLGS).

“Rebate Fund” means the fund, if any, identified and defined in Section 4.1 herein.

“Rebate Provisions” means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

“Regulations” means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

“Reimbursed Expenditures” means any expenditures of the City paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

“Sale Proceeds” means amounts actually or constructively received from the sale of the Note, including amounts derived from the sale of any right that is part of the terms of the Note or is otherwise associated with the Note (e.g., a redemption right).

“Tax Agreement” means this Tax Exemption Certificate and Agreement, including all exhibits, together with any amendments made pursuant to Section 7.8 of this Tax Exemption Certificate and Agreement, but not including any post-issuance compliance policy referenced in or attached to this Tax Agreement.

“Yield” means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation produces an amount equal to the obligation’s purchase price (or in the case of the Note, the issue price as established in Section 5.1), including accrued interest. For purposes of computing the Yield on the Note and on investments, the same compounding interval (which must be an interval of not more than one year) and standard financial conventions (such as a 360-day year) must be used.

“Yield Reduction Payment” means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

ARTICLE II

DESCRIPTION OF PROJECT

Section 2.1. Purpose of the Note. The Note is being issued to finance the Project in a prudent manner consistent with the revenue needs of the City. A breakdown of the sources and uses of funds is attached as *Exhibit A*. The Note is a draw down instrument. The City will borrow money (up to the maximum of \$7,500,000) by taking advances from time to time under the Note. The minimum loan schedule of such draws is shown on *Exhibit B*. The initial draw is being made on the date hereof and is at least \$50,000.

Section 2.2. The Project – Binding Commitment and Timing. The City has incurred or will, within six months of the Closing, incur a substantial binding obligation (not subject to contingencies within the control of the City or any member of the same Controlled Group as the City) to a third party to expend at least five percent of the Sale Proceeds on the Project. It is expected that the work of constructing the Project and the expenditure of amounts deposited into the Project Fund will continue to proceed with due diligence through the last date shown in *Exhibit B*, which is no later than three years after Closing, at which time it is anticipated that all Sale Proceeds and investment earnings thereon will have been spent.

It is expected that the Sale Proceeds deposited into the Project Fund, plus investment earnings on the Project Fund will be spent to pay costs of the Project, in accordance with the minimum loan schedule contained in *Exhibit B*.

Section 2.3. Reimbursement. None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

Section 2.4. Working Capital. All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to finance Capital Expenditures other than amounts spent for the following:

- (a) working capital expenditures directly related to Capital Expenditures financed by the Note, in an amount not to exceed five percent of the Sale Proceeds;
- (b) payments of interest on the Note for a period commencing at Closing and ending on the later of the date three years after Closing or one year after the date on which the Project is Placed-in-Service;
- (c) Costs of Issuance and Qualified Administrative Costs of Investments;
- (d) payments of rebate or Yield Reduction Payments made to the United States;
- (e) principal of or interest on the Note paid from unexpected excess Sale Proceeds and investment earnings thereon; and

(f) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months of the date commingled.

Section 2.5. Consequences of Contrary Expenditure. The City acknowledges that if Sale Proceeds and investment earnings thereon are spent for non-Capital Expenditures other than as permitted by Section 2.4 hereof, a like amount of then available funds of the City will be treated as unspent Sale Proceeds.

Section 2.6. Payments to City or Related Persons. The City acknowledges that if Sale Proceeds or investment earnings thereon are transferred to or paid to the City or any member of the same Controlled Group as the City, those amounts will not be treated as having been spent for federal income tax purposes. However, Sale Proceeds or investment earnings thereon will be allocated to expenditures for federal income tax purposes if the City uses such amounts to reimburse itself for amounts paid to persons other than the City or any member of the same Controlled Group as the City, *provided* that the original expenditures were paid on or after Closing, and *provided* that the original expenditures were not otherwise paid out of Sale Proceeds or investment earnings thereon or the proceeds of any other borrowing. Any Sale Proceeds or investment earnings thereon that are transferred to or paid to the City or any member of the same Controlled Group as the City will remain Sale Proceeds or investment earnings thereon, and thus Gross Proceeds, until such amounts are allocated to expenditures for federal income tax purposes. If the City does not otherwise allocate any such amounts to expenditures for the Project or other expenditures permitted under this Tax Agreement, any such amounts will be allocated for federal income tax purposes to the next expenditures, not otherwise paid out of Sale Proceeds or investment earnings thereon or the proceeds of any other borrowing, for interest on the Note prior to the later of the date three years after Closing or one year after the date on which the Project is Placed-in-Service. The City will consistently follow this accounting method for federal income tax purposes.

Section 2.7. Investment of Note Proceeds. Not more than 50% of the Sale Proceeds and investment earnings thereon are or will be invested in investments (other than Qualified Tax Exempt Obligations) having a Yield that is substantially guaranteed for four years or more. No portion of the Note is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Note.

Section 2.8. No Grants. None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

Section 2.9. Hedges. Neither the City nor any member of the same Controlled Group as the City has entered into or expects to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Note. The City acknowledges that any such hedge could affect, among other things, the calculation of Note Yield under the Regulations. The Internal Revenue Service could recalculate Note Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction. The City acknowledges that if it wishes to take any such hedge into account in determining Note

Yield, various requirements under the Regulations, including prompt identification of the hedge with the Note on the City's books and records, need to be met.

The City also acknowledges that if it acquires a hedging contract with an investment element (including, *e.g.*, an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Note, and be subject to the fair market purchase price rules, rebate and yield restriction. The City agrees not to use proceeds of the Note to pay for any such hedging contract in whole or in part. The City also agrees that it will not give any assurances to any Note holder, or any credit or liquidity enhancer with respect to the Note that any such hedging contract will be entered into or maintained. The City recognizes that if a portion of a hedging contract is determined to be an investment of Gross Proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

Section 2.10. Internal Revenue Service Audits. The Internal Revenue Service has not contacted the City regarding any obligations issued by or on behalf of the City. To the best of the knowledge of the City, no such obligations of the City are currently under examination by the Internal Revenue Service.

ARTICLE III

USE OF PROCEEDS; DESCRIPTION OF FUNDS

Section 3.1. Use of Proceeds. (a) *Exhibit A* describes the use of the Sale Proceeds and investment earnings thereon and the funds held under the Ordinance at the time of Closing. No Sale Proceeds and no investment earnings thereon will be used to pre-pay for goods or services more than ninety days prior to the date such goods or services are to be received. No Sale Proceeds and no investment earnings thereon will be used to pay for or otherwise acquire goods or services from the City, any member of the same Controlled Group as the City, or an Affiliated Person.

(b) Only the following funds and accounts will be funded at Closing: Project Fund. There are no other funds or accounts created under the Ordinance, other than the Note Fund and the Rebate Fund if it is created as provided for in Section 4.1.

(c) Principal of and interest on the Note will be paid from the Note Fund.

(d) Costs of Issuance incurred in connection with the issuance of the Note will be paid either directly at delivery of the Note at the direction of the City or from funds retained by the City to pay such expenses. Any excess from the money held for such purpose after the payment of all Costs of Issuance shall be transferred to the Project Fund within six months of Closing.

(e) The costs of the Project will be paid from the Project Fund and no other moneys (except for investment earnings on amounts in the Project Fund) are expected to be deposited therein.

Section 3.2. Purpose of Note Fund. The Note Fund will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Note in each bond year. It is expected that the Note Fund will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Note Fund for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Note for the immediately preceding bond year.

Section 3.3. No Other Gross Proceeds. (a) Except as identified on *Exhibit D* hereto, after the issuance of the Note, neither the City, any member of the same Controlled Group as the City nor any other Person has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund or account with respect to the Note (other than the Rebate Fund);

(iii) amounts that have a sufficiently direct nexus to the Note or to the governmental purpose of the Note to conclude that the amounts would have been used for that governmental purpose if the Note was not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(iv) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Note or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Note or any credit enhancement or liquidity device with respect to the Note, even if financial difficulties are encountered;

(v) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the holders of the Note or any credit enhancement provider, including any liquidity device or negative pledge (*e.g.*, any amount pledged to secure the Note held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Note or a guarantor of the Note); or

(vi) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Note or any credit enhancement or liquidity device related to the Note.

(c) One hundred and twenty percent of the average reasonably expected economic life of the Project is at least 10 years, as set forth on *Exhibit E*. The weighted average maturity of the Note (which does not exceed 7 years) does not exceed 120 percent of the average reasonably expected economic life of the Project.

(d) The term of the Note is not longer than reasonably necessary for the governmental purposes of the Note. The maturity, sinking fund and amortization schedule of the Note (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Note. The Principal Payment Schedule is not more rapid (*i.e.*, having a lower average maturity) because such a more rapid schedule would place an undue burden on revenues or cause tax rates or the rates of other revenue sources to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Note as set forth in Section 2.1. Draws under the Note will not occur significantly before the City needs funds for expenditure.

Section 3.4. Final Allocation of Proceeds. Subject to the requirements of this Tax Agreement, including those concerning working capital expenditures in Section 2.4, the City may generally use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments thereon, and expenditures. The City must account for the final allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the property with respect to which the expenditure is made is Placed-in-Service. This allocation must be made in any event by the date 60 days after the fifth anniversary of the issue date of the Note or the date 60 days after the retirement of the Note, if earlier.

Reasonable accounting methods for allocating funds include any of the following methods if consistently applied: a specific tracing method; a Gross Proceeds spent first method; a first-in, first-out method, or a ratable allocation method. The City may also reallocate proceeds of the Note from one expenditure to another until the end of the period for final allocation, discussed above. Unless the City has taken an action to use a different allocation method by the end of the period for a final allocation, proceeds of the Note will be treated as allocated to expenditures using the specific tracing method.

ARTICLE IV

ARBITRAGE REBATE; RECORD KEEPING; INVESTMENTS

Section 4.1. Compliance with Rebate Provisions. The City covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Note. The City will make, or cause to be made, rebate payments with respect to the Note in accordance with law.

The City may create and establish a special fund to be known as the Rebate Fund, which, if created, shall be continuously held, invested, expended and accounted for in accordance with the Ordinance and this Tax Agreement. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Note. Moneys in the Rebate Fund (including earnings and deposits therein) shall be held and used for any required payment to the United

States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Tax Agreement.

Section 4.2. Records. The City agrees to keep and retain or cause to be kept and retained for the period described in Section 7.9 adequate records with respect to the investment of all Gross Proceeds and any amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment ceases to be Gross Proceeds on a date other than the date such investment is sold or is retained after the date the last Note is retired, the records required to be kept shall include the fair market value of such investment on the date the last Note is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

Section 4.3. Fair Market Value; Certificates of Deposit and Investment Agreements. In making investments of Gross Proceeds and any amounts in the Rebate Fund the City shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below. Investments in federally insured deposits or accounts, including certificates of deposit, may not be made except as allowed under Section 5.4 of this Tax Agreement.

(b) Investments in GICs shall be made only if:

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Note;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Note;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the City or any other person (whether or not in connection with the Note) and that the bid is not being submitted solely as a courtesy to the City or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

A single investment, or multiple investments awarded to a provider based on a single bid, may not be used for funds subject to different rules relating to rebate or yield restriction.

(c) If a GIC is purchased, the City will retain the following records with its bond documents until three years after the Note is redeemed in its entirety:

- (i) a copy of the GIC;
- (ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under paragraph (b)(xi) of this section;
- (iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and
- (iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in (a) or (b) of this section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an investment is traded on an established securities market only if at any time during the 31-day period ending 15 days after the purchase date: (i) within a reasonable period of time after the sale, the price for an executed purchase or sale of the investment (or information sufficient to calculate the sales price) appears in a medium that is made available to issuers of debt instruments, persons that regularly purchase or sell debt instruments (including a price provided only to certain customers or to subscribers), or persons that broker purchases or sales of debt instruments; (ii) there are one or more firm quotes for the investment (a firm quote is considered to exist when a price quote is available from at least one broker, dealer, or pricing service (including a price provided only to certain customers or to subscribers) for property and the quoted price is substantially the same as the price for which the person receiving the quoted price could purchase or sell the property; a price quote is considered to be available whether the quote is initiated by a person providing the quote or provided at the request of the person receiving the quote; the identity of the person providing the quote must be reasonably ascertainable for a quote to be considered a firm quote for this purpose; a quote will be considered a firm quote if the quote is designated as a firm quote by the person providing the quote or if market participants typically purchase or sell, as the case may be, at the quoted price, even if the party providing the quote is not legally obligated to purchase or sell at that price); or (iii) there are one or more indicative quotes for the investment (an indicative quote is considered to exist when a price quote is available from at least one broker, dealer, or pricing service (including a price provided only to certain customers or to subscribers) for property and the price

quote is not a firm quote described in the prior clause). However, a maturity of a debt instrument is not treated as traded on an established market if at the time the determination is made the outstanding stated principal amount of the maturity that includes the debt instrument does not exceed \$100,000,000 (or, for a debt instrument denominated in a currency other than the U.S. dollar, the equivalent amount in the currency in which the debt instrument is denominated).

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the City. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this section.

The foregoing provisions of this section satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this section are contained herein for the protection of the City, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Note. The City may contact Bond Counsel if it does not wish to comply with the provisions of this section. Modifications to this Tax Agreement can be made in accordance with Section 7.8 hereof.

Section 4.4. Arbitrage Elections. The Mayor and City Treasurer are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

ARTICLE V

YIELD AND INVESTMENT LIMITATIONS

Section 5.1. Issue Price. For purposes of determining the Yield on the Note, the purchase price of the Note is equal to the price being paid to the City by the Purchaser, which is the par amount of the Note. The Purchaser has certified that it is buying the Note as an investment for its own account with no intention to resell the Note. The purchase price of the Note is not less than the fair market value of the Note as of the date the Purchaser agreed to buy the Note.

Section 5.2. Yield Limits. (a) Except as provided in paragraph (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Note plus, if only amounts in the Project Fund are subject to this yield limitation, 1/8th of one percent.

(b) The following may be invested without Yield restriction:

(i) amounts qualifying for a temporary period consisting of:

(A) amounts on deposit in the Note Fund (except for capitalized interest) that have not been on deposit under the Ordinance for more than

13 months, so long as the Note Fund continues to qualify as a bona fide debt service fund as described in Section 3.2 hereof;

(B) amounts on deposit in the Project Fund prior to the earlier of three years after Closing or the date the City no longer expects to spend all such amounts;

(ii) amounts qualifying for other exceptions consisting of:

(A) an amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;

(B) amounts invested in Qualified Tax Exempt Obligations;

(C) amounts in the Rebate Fund;

(D) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(E) all amounts derived from the investment of Sale Proceeds or investment earnings thereon for a period of one year from the date received.

Section 5.3. Federal Guarantees. Except as otherwise permitted by the Regulations, no portion of the payment of principal or interest on the Note or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). This Section does not apply to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

Section 5.4. Federally Guaranteed Investments. (a) Certain Gross Proceeds may not be invested in a manner that is considered to create a federal guarantee. The restrictions in this Section 5.4 applies to all Gross Proceeds except:

(i) amounts on deposit in the Project Fund prior to the earlier of three years after Closing or the date the City no longer expects to spend all such amount;

(ii) amounts on deposit in the Note Fund to the extent the Note Fund qualifies as a bona fide debt service fund described in Section 3.2;

(b) If the City holds any Gross Proceeds other than those listed in the preceding paragraph (a), then any such Gross Proceeds in an amount in excess of five percent of the Sale Proceeds shall not be invested in:

- (i) federally insured deposits or accounts, such as bank accounts and C.D.s;
- (ii) Obligations of or directly or indirectly guaranteed, in whole or in part, by the United States (or any agency or instrumentality of the United States), other than the following:
 - (a) United States Treasury Obligations;
 - (b) obligations issued by the Ordinance Funding Corporation pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended by Section 511 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, or any successor provision (*e.g.*, Refcorp Strips); and
 - (c) obligations guaranteed by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

Because of these investment limitations, after the date three years after Closing, any amounts remaining in the Project Fund must be invested in U.S. Treasury obligations (including obligations of the State and Local Government Series, known as SLGS) or otherwise invested to avoid violating the restrictions set forth in this section.

ARTICLE VI

PRIVATE ACTIVITY NOTE REPRESENTATIONS; FORM 8038-G; BANK QUALIFICATION

Section 6.1. Payment and Use Tests. (a) No more than five percent of the Sale Proceeds plus investment earnings thereon (not including amounts used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) and amounts invested in a reserve or replacement fund), will be used, directly or indirectly, in whole or in part, in any Private Business Use.

(b) The payment of more than five percent of the principal of or the interest on the Note will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the City or a member of the same Controlled Group as the City) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of five percent of the sum of Sale Proceeds and investment earnings thereon ((not including amounts used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) and amounts invested in a reserve or replacement fund) or \$5,000,000 will be used, directly or indirectly, to make or finance loans to any persons.

(d) No user of the Project other than a state or local governmental unit will use more than five percent of the Project, in the aggregate, on any basis other than the same basis as the general public.

Section 6.2. I.R.S. Form 8038-G. The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, set forth as *Exhibit C* attached hereto is true and complete. The City will file Form 8038-G (and all other required information reporting forms) in a timely manner.

Section 6.3. Bank Qualification. Prior to the date hereof during the current calendar year, no obligations that have been designated as “qualified tax-exempt obligations” for the purposes and within the meaning of Section 265(b)(3) of the Code have been issued by any of the following: (i) the City; (ii) an entity issuing obligations on behalf of the City; and (iii) any member of the same Controlled Group as the City or the same Controlled Group as an entity issuing obligations on behalf of the City.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Termination. This Tax Agreement shall terminate at the later of (a) 75 days after the Note has been fully paid and retired or (b) the date on which all payments, if any, required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of Sections 4.2, 4.3(c) and Section 7.9 shall not terminate until the third anniversary of the date the Note is fully paid and retired.

Section 7.2. Separate Issue. Since a date that is at least 15 days prior to the Sale Date of the Note, neither the City nor any member of the same Controlled Group as the City has sold or delivered any obligations other than the Note that are reasonably expected to be paid out of substantially the same source of funds as the Note. Neither the City nor any member of the same Controlled Group as the City will sell or deliver within 15 days after the date hereof any obligations other than the Note that are reasonably expected to be paid out of substantially the same source of funds as the Note.

Section 7.3. No Sale of the Project. (a) Other than as provided in the next sentence, neither the Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the City of the property (determined on the date of issuance of the Note) or (ii) the maturity date of the Note. The City may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of

the reasonably expected economic life to the City of the property (determined on the date of issuance of the Note) or (ii) the maturity of the Note, provided: (A) the weighted average maturity of the Note financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the City reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the City deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the City reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The City acknowledges that if Note-financed property is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a “deliberate action” within the meaning of the Regulations that may require prompt remedial actions to prevent interest on the Note from being included in gross income for federal income tax purposes. The City shall promptly contact Bond Counsel if a sale or other disposition of Note-financed property in a manner contrary to (a) above is considered by the City.

Section 7.4. Purchase of Note by City. The City will not purchase the Note except to cancel such Note (or portions thereof).

Section 7.5. First Call Date Limitation. The period between the date of Closing and the first call date of the Note is not more than 10-1/2 years.

Section 7.6. Registered Form. The City recognizes that Section 149(a) of the Code requires the Note to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Note is delivered. In this connection, the City agrees that it will maintain the Note in registered form and will not take any action to permit the Note to be issued in, or converted into, bearer or coupon form.

Section 7.7. Future Events. The City acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth in this Tax Agreement. The City shall promptly contact Bond Counsel if such changes do occur.

Section 7.8. Permitted Changes; Opinion of Bond Counsel. Any restriction or covenant contained herein need not be observed, and any provision of this Tax Agreement may be changed or amended, only if (in addition to any requirements for a particular change contained elsewhere in this Tax Agreement) such nonobservance, change or amendment will not result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Note or the inclusion of interest on the Note as an item of tax preference in computing the alternative minimum tax for individuals or corporations under the Code and the City receives an opinion of Bond Counsel to such effect.

Section 7.9. Records Retention. The City agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Note

from federal income taxation, to demonstrate compliance with the covenants in this Tax Agreement, and to show that all tax-exempt Note related tax returns related to the Note submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Note transaction (including this Tax Agreement, the Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Note proceeds; documentation evidencing the use of Note-financed property by public and private entities (including, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Note; and documentation pertaining to any investment of Note proceeds (including the information required under Section 4.2 and Section 4.3 hereof and in particular information related to the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments if any, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Note is outstanding, plus the period ending three years after the latest of the final payment date of the Note or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Note.

Section 7.10. Post-Issuance Compliance Policy. The City acknowledges that the Internal Revenue Service encourages issuers of tax-exempt bonds to adopt written post-issuance compliance policies in addition to its bond documents, and provides certain potential benefits to issuers that do so. Post issuance compliance policies may include provisions that specify the official(s) with responsibility for monitoring compliance, a description of the training provided to such responsible official(s) with regard to monitoring compliance, the frequency of compliance checks (must be at least annual), the nature of the compliance activities required to be undertaken, the procedures used to timely identify and elevate the resolution of a violation when it occurs or is expected to occur, procedures for the retention of all records material to substantiate compliance with the applicable federal tax requirements, and an awareness of the availability of Internal Revenue Service's voluntary closing agreement program and other remedial actions to resolve violations.

The City has adopted written post-issuance compliance policies, which are maintained by the City separately.

Section 7.11. Severability. If any clause, provision or section of this Tax Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, sections or provisions hereof.

Section 7.12. Successors and Assigns. The terms, provisions, covenants and conditions of this Tax Agreement shall bind and inure to the benefit of the respective successors and assigns of the City.

Section 7.13. Headings. The headings of this Tax Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Tax Agreement.

Section 7.14. Governing Law. This Tax Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 7.15. Expectations. The City (including the undersigned officer) has reviewed the facts, estimates and circumstances presented by the City and other persons in existence on the date of issuance of the Note. On the basis of the facts and estimates contained herein, the City has adopted the expectations contained herein. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

DATED: August 18, 2016

CITY OF DECATUR, MAON COUNTY, ILLINOIS

By _____
City Treasurer

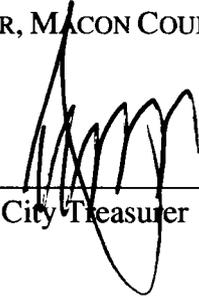


EXHIBIT A
ESTIMATED SOURCES AND USES OF FUNDS

SOURCES:

| | 1ST DRAW AUGUST 18, 2016 | FUTURE DRAWS | TOTAL |
|---------------------|--------------------------------|--------------|--------------------|
| FACE AMOUNT OF NOTE | \$50,000 | \$7,450,000 | <u>\$7,500,000</u> |
| TOTAL | \$50,000 | \$7,450,000 | \$7,500,000 |

USES AT CLOSING:

| | 1ST DRAW AUGUST 18, 2016 | FUTURE DRAWS | TOTAL |
|-------------------|--------------------------------|--------------|-------------|
| Project Costs | \$32,500 | \$7,450,000 | \$7,482,500 |
| Costs of Issuance | \$17,500 | 0 | \$17,500 |
| TOTAL | \$50,000 | \$7,450,000 | \$7,500,000 |

EXHIBIT B

MINIMUM LOAN SCHEDULE

| <u>Date</u> | <u>Aggregate Minimum Loan Requirement</u> |
|-------------|---|
| 02/01/2017 | \$1,000,000 |
| 08/01/2017 | 1,100,000 |
| 02/01/2018 | 4,000,000 |
| 08/15/2019 | 7,500,000 |

EXHIBIT C
[FORM 8038-G]

EXHIBIT D
GROSS PROCEEDS*

Project Fund

Note Fund

* If, any amounts are held contrary to the expectations described in Article III of the Tax Agreement, such amounts may also constitute Gross Proceeds. Further, if any Note-financed property is sold or otherwise disposed of, contrary to the expectations described in the Tax Agreement, any amounts received from such sale or other disposition may also constitute Gross Proceeds.

EXHIBIT E

ECONOMIC LIFE WORKSHEET

| DESCRIPTION OF CAPITAL IMPROVEMENTS | ESTIMATED COST | ECONOMIC LIFE |
|--|-------------------|------------------|
| Land Acquisition | | |
| New Building Acquisition/Construction | | |
| Building Renovation | | |
| Site Preparation or Improvements | | |
| Construction and Improvements of Streets | \$7,500,000 | 10 years |
| Equipment | | |
| Other | _____ | |
| TOTAL | \$7,500,000 | |

TAX EXEMPTION CERTIFICATE AND AGREEMENT

\$2,200,000

CITY OF DECATUR, MACON COUNTY, ILLINOIS

PROMISSORY NOTE (FIRE STATION PROJECTS)

August 18, 2016

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TAX EXEMPTION CERTIFICATE AND AGREEMENT

The undersigned is a duly qualified officer of the City of Decatur, Macon County, Illinois (the “City”), and is charged, with others, with the responsibility for executing and delivering the Note. Certain terms are defined in Article I hereof. Terms used herein and not defined in Article I shall have the meanings given to them in the Ordinance.

One purpose of executing this Tax Agreement is to set forth various facts regarding the Note and to establish the expectations of the City as to future events regarding the Note and the use of Note proceeds. The certifications, covenants and representations contained herein (except for Section 7.10 of this Tax Agreement) are made on behalf of the City for the benefit of the owners from time to time of the Note.

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 Note) if taking, permitting or omitting to take such action would cause the Note to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Note to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the Note, 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 Internal Revenue Service in connection with such an examination.

ARTICLE I

DEFINITIONS

In addition to such other words and terms used and defined in this Tax Agreement, the following words and terms used in this Tax Agreement shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

“*Affiliated Person*” means a Person that is affiliated with another Person (including the City) because either (a) at any time during the six months prior to the execution and delivery of the Note, more than five percent of the voting power of the governing body of either Person is in the aggregate vested in the other Person and its directors, officers, owners, and employees, or (b) during the one-year period beginning six months prior to the execution and delivery of the Note, the composition of the governing body of the Person (or any Person that controls the Person) is modified or established to reflect (directly or indirectly) representation of the interests of the other Person (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

“*Bond Counsel*” means Chapman and Cutler LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“*Capital Expenditures*” means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the City were treated as a corporation subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

“*City*” is defined in the preamble to this Tax Agreement.

“*Closing*” means the date of this Tax Agreement, which is the first date on which the City is receiving the purchase price for the Note.

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

“*Commingled Fund*” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds, if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

“*Control*” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

(a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or

(b) to require the use of funds or assets of a Controlled Entity for any purpose.

“*Controlled Entity*” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“*Controlled Group*” means a group of entities directly or indirectly subject to Control by the same entity or group of entities. A Controlled Group includes the entity that has Control of the other entities.

“*Controlling Entity*” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“*Costs of Issuance*” means the costs of issuing the Note.

“*External Commingled Fund*” means a Commingled Fund in which the City and all members of the same Controlled Group as the City own, in the aggregate, not more than ten percent of the beneficial interests.

“*GIC*” means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

“*Gross Proceeds*” means amounts in the funds listed on *Exhibit D* hereto.

“*Note*” means the Note of the City described on the cover page of the Tax Agreement.

“*Note Fund*” means any specified account or fund of the City established for the payment of the principal of and interest on the Note.

“*Ordinance*” means the ordinance authorizing the issuance of the Note, as adopted by the Council of the City on August 15, 2016.

“*Person*” means and includes any individual, body politic, governmental unit, agency or authority, trust, estate, partnership, association, company, corporation, joint-stock company, syndicate, group, pool, joint venture, other unincorporated organization or group, or group of any of the above.

“*Placed-in-Service*” means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

“*Private Business Use*” means any use of the Project by any Person (including the federal government) other than a state or local governmental unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any Person other than a state or local governmental unit (i) that conveys special legal entitlements to any portion of the Project, or (ii) under which any Person other than a state or local governmental unit has any special economic benefit with respect to any portion of the Project that is not available for use by the general public.

“*Project*” means all property financed, refinanced or reimbursed with proceeds (including investment earnings) of the Note, including the costs renovating, repairing and maintaining the City’s Fire Stations 1, 2, 4 and 6.

“*Project Fund*” means the Project Fund established pursuant to the Ordinance.

“*Purchaser*” means the purchaser of the Note from the City.

“*Qualified Administrative Costs of Investments*” means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

“*Qualified Tax Exempt Obligations*” means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of any owner

thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest that is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344 (this clause (c) applies only to demand deposit SLGS, not to other types of SLGS).

“Rebate Fund” means the fund, if any, identified and defined in Section 4.1 herein.

“Rebate Provisions” means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

“Regulations” means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

“Reimbursed Expenditures” means any expenditures of the City paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

“Sale Proceeds” means amounts actually or constructively received from the sale of the Note, including amounts derived from the sale of any right that is part of the terms of the Note or is otherwise associated with the Note (e.g., a redemption right).

“Tax Agreement” means this Tax Exemption Certificate and Agreement, including all exhibits, together with any amendments made pursuant to Section 7.8 of this Tax Exemption Certificate and Agreement, but not including any post-issuance compliance policy referenced in or attached to this Tax Agreement.

“Yield” means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation produces an amount equal to the obligation’s purchase price (or in the case of the Note, the issue price as established in Section 5.1), including accrued interest. For purposes of computing the Yield on the Note and on investments, the same compounding interval (which must be an interval of not more than one year) and standard financial conventions (such as a 360-day year) must be used.

“Yield Reduction Payment” means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

ARTICLE II

DESCRIPTION OF PROJECT

Section 2.1. Purpose of the Note. The Note is being issued to finance the Project in a prudent manner consistent with the revenue needs of the City. A breakdown of the sources and uses of funds is attached as *Exhibit A*. The Note is a draw down instrument. The City will borrow money (up to the maximum of \$2,200,000) by taking advances from time to time under the Note. The minimum loan schedule of such draws is shown on *Exhibit B*. The initial draw is being made on the date hereof and is at least \$50,000.

Section 2.2. The Project – Binding Commitment and Timing. The City has incurred or will, within six months of the Closing, incur a substantial binding obligation (not subject to contingencies within the control of the City or any member of the same Controlled Group as the City) to a third party to expend at least five percent of the Sale Proceeds on the Project. It is expected that the work of constructing the Project and the expenditure of amounts deposited into the Project Fund will continue to proceed with due diligence through the last date shown in *Exhibit B*, which is no later than three years after Closing, at which time it is anticipated that all Sale Proceeds and investment earnings thereon will have been spent.

It is expected that the Sale Proceeds deposited into the Project Fund, plus investment earnings on the Project Fund will be spent to pay costs of the Project, in accordance with the minimum loan schedule contained in *Exhibit B*.

Section 2.3. Reimbursement. None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

Section 2.4. Working Capital. All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to finance Capital Expenditures other than amounts spent for the following:

- (a) working capital expenditures directly related to Capital Expenditures financed by the Note, in an amount not to exceed five percent of the Sale Proceeds;
- (b) payments of interest on the Note for a period commencing at Closing and ending on the later of the date three years after Closing or one year after the date on which the Project is Placed-in-Service;
- (c) Costs of Issuance and Qualified Administrative Costs of Investments;
- (d) payments of rebate or Yield Reduction Payments made to the United States;
- (e) principal of or interest on the Note paid from unexpected excess Sale Proceeds and investment earnings thereon; and

(f) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months of the date commingled.

Section 2.5. Consequences of Contrary Expenditure. The City acknowledges that if Sale Proceeds and investment earnings thereon are spent for non-Capital Expenditures other than as permitted by Section 2.4 hereof, a like amount of then available funds of the City will be treated as unspent Sale Proceeds.

Section 2.6. Payments to City or Related Persons. The City acknowledges that if Sale Proceeds or investment earnings thereon are transferred to or paid to the City or any member of the same Controlled Group as the City, those amounts will not be treated as having been spent for federal income tax purposes. However, Sale Proceeds or investment earnings thereon will be allocated to expenditures for federal income tax purposes if the City uses such amounts to reimburse itself for amounts paid to persons other than the City or any member of the same Controlled Group as the City, *provided* that the original expenditures were paid on or after Closing, and *provided* that the original expenditures were not otherwise paid out of Sale Proceeds or investment earnings thereon or the proceeds of any other borrowing. Any Sale Proceeds or investment earnings thereon that are transferred to or paid to the City or any member of the same Controlled Group as the City will remain Sale Proceeds or investment earnings thereon, and thus Gross Proceeds, until such amounts are allocated to expenditures for federal income tax purposes. If the City does not otherwise allocate any such amounts to expenditures for the Project or other expenditures permitted under this Tax Agreement, any such amounts will be allocated for federal income tax purposes to the next expenditures, not otherwise paid out of Sale Proceeds or investment earnings thereon or the proceeds of any other borrowing, for interest on the Note prior to the later of the date three years after Closing or one year after the date on which the Project is Placed-in-Service. The City will consistently follow this accounting method for federal income tax purposes.

Section 2.7. Investment of Note Proceeds. Not more than 50% of the Sale Proceeds and investment earnings thereon are or will be invested in investments (other than Qualified Tax Exempt Obligations) having a Yield that is substantially guaranteed for four years or more. No portion of the Note is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Note.

Section 2.8. No Grants. None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

Section 2.9. Hedges. Neither the City nor any member of the same Controlled Group as the City has entered into or expects to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Note. The City acknowledges that any such hedge could affect, among other things, the calculation of Note Yield under the Regulations. The Internal Revenue Service could recalculate Note Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction. The City acknowledges that if it wishes to take any such hedge into account in determining Note

Yield, various requirements under the Regulations, including prompt identification of the hedge with the Note on the City's books and records, need to be met.

The City also acknowledges that if it acquires a hedging contract with an investment element (including, *e.g.*, an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Note, and be subject to the fair market purchase price rules, rebate and yield restriction. The City agrees not to use proceeds of the Note to pay for any such hedging contract in whole or in part. The City also agrees that it will not give any assurances to any Note holder, or any credit or liquidity enhancer with respect to the Note that any such hedging contract will be entered into or maintained. The City recognizes that if a portion of a hedging contract is determined to be an investment of Gross Proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

Section 2.10. Internal Revenue Service Audits. The Internal Revenue Service has not contacted the City regarding any obligations issued by or on behalf of the City. To the best of the knowledge of the City, no such obligations of the City are currently under examination by the Internal Revenue Service.

ARTICLE III

USE OF PROCEEDS; DESCRIPTION OF FUNDS

Section 3.1. Use of Proceeds. (a) *Exhibit A* describes the use of the Sale Proceeds and investment earnings thereon and the funds held under the Ordinance at the time of Closing. No Sale Proceeds and no investment earnings thereon will be used to pre-pay for goods or services more than ninety days prior to the date such goods or services are to be received. No Sale Proceeds and no investment earnings thereon will be used to pay for or otherwise acquire goods or services from the City, any member of the same Controlled Group as the City, or an Affiliated Person.

(b) Only the following funds and accounts will be funded at Closing: Project Fund. There are no other funds or accounts created under the Ordinance, other than the Note Fund and the Rebate Fund if it is created as provided for in Section 4.1.

(c) Principal of and interest on the Note will be paid from the Note Fund.

(d) Costs of Issuance incurred in connection with the issuance of the Note will be paid either directly at delivery of the Note at the direction of the City or from funds retained by the City to pay such expenses. Any excess from the money held for such purpose after the payment of all Costs of Issuance shall be transferred to the Project Fund within six months of Closing.

(e) The costs of the Project will be paid from the Project Fund and no other moneys (except for investment earnings on amounts in the Project Fund) are expected to be deposited therein.

Section 3.2. Purpose of Note Fund. The Note Fund will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Note in each bond year. It is expected that the Note Fund will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Note Fund for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Note for the immediately preceding bond year.

Section 3.3. No Other Gross Proceeds. (a) Except as identified on *Exhibit D* hereto, after the issuance of the Note, neither the City, any member of the same Controlled Group as the City nor any other Person has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund or account with respect to the Note (other than the Rebate Fund);

(iii) amounts that have a sufficiently direct nexus to the Note or to the governmental purpose of the Note to conclude that the amounts would have been used for that governmental purpose if the Note was not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(iv) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Note or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Note or any credit enhancement or liquidity device with respect to the Note, even if financial difficulties are encountered;

(v) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the holders of the Note or any credit enhancement provider, including any liquidity device or negative pledge (e.g., any amount pledged to secure the Note held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Note or a guarantor of the Note); or

(vi) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Note or any credit enhancement or liquidity device related to the Note.

(c) One hundred and twenty percent of the average reasonably expected economic life of the Project is at least 20 years, as set forth on *Exhibit E*. The weighted average maturity of the Note (which does not exceed 7 years) does not exceed 120 percent of the average reasonably expected economic life of the Project.

(d) The term of the Note is not longer than reasonably necessary for the governmental purposes of the Note. The maturity, sinking fund and amortization schedule of the Note (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Note. The Principal Payment Schedule is not more rapid (*i.e.*, having a lower average maturity) because such a more rapid schedule would place an undue burden on revenues or cause tax rates or the rates of other revenue sources to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Note as set forth in Section 2.1. Draws under the Note will not occur significantly before the City needs funds for expenditure.

Section 3.4. Final Allocation of Proceeds. Subject to the requirements of this Tax Agreement, including those concerning working capital expenditures in Section 2.4, the City may generally use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments thereon, and expenditures. The City must account for the final allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the property with respect to which the expenditure is made is Placed-in-Service. This allocation must be made in any event by the date 60 days after the fifth anniversary of the issue date of the Note or the date 60 days after the retirement of the Note, if earlier.

Reasonable accounting methods for allocating funds include any of the following methods if consistently applied: a specific tracing method; a Gross Proceeds spent first method; a first-in, first-out method, or a ratable allocation method. The City may also reallocate proceeds of the Note from one expenditure to another until the end of the period for final allocation, discussed above. Unless the City has taken an action to use a different allocation method by the end of the period for a final allocation, proceeds of the Note will be treated as allocated to expenditures using the specific tracing method.

ARTICLE IV

ARBITRAGE REBATE; RECORD KEEPING; INVESTMENTS

Section 4.1. Compliance with Rebate Provisions. The City covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Note. The City will make, or cause to be made, rebate payments with respect to the Note in accordance with law.

The City may create and establish a special fund to be known as the Rebate Fund, which, if created, shall be continuously held, invested, expended and accounted for in accordance with the Ordinance and this Tax Agreement. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Note. Moneys in the Rebate Fund (including earnings and deposits therein) shall be held and used for any required payment to the United

States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Tax Agreement.

Section 4.2. Records. The City agrees to keep and retain or cause to be kept and retained for the period described in Section 7.9 adequate records with respect to the investment of all Gross Proceeds and any amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment ceases to be Gross Proceeds on a date other than the date such investment is sold or is retained after the date the last Note is retired, the records required to be kept shall include the fair market value of such investment on the date the last Note is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

Section 4.3. Fair Market Value; Certificates of Deposit and Investment Agreements. In making investments of Gross Proceeds and any amounts in the Rebate Fund the City shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below. Investments in federally insured deposits or accounts, including certificates of deposit, may not be made except as allowed under Section 5.4 of this Tax Agreement.

(b) Investments in GICs shall be made only if:

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Note;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Note;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the City or any other person (whether or not in connection with the Note) and that the bid is not being submitted solely as a courtesy to the City or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

A single investment, or multiple investments awarded to a provider based on a single bid, may not be used for funds subject to different rules relating to rebate or yield restriction.

(c) If a GIC is purchased, the City will retain the following records with its bond documents until three years after the Note is redeemed in its entirety:

- (i) a copy of the GIC;
- (ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under paragraph (b)(xi) of this section;
- (iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and
- (iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in (a) or (b) of this section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an investment is traded on an established securities market only if at any time during the 31-day period ending 15 days after the purchase date: (i) within a reasonable period of time after the sale, the price for an executed purchase or sale of the investment (or information sufficient to calculate the sales price) appears in a medium that is made available to issuers of debt instruments, persons that regularly purchase or sell debt instruments (including a price provided only to certain customers or to subscribers), or persons that broker purchases or sales of debt instruments; (ii) there are one or more firm quotes for the investment (a firm quote is considered to exist when a price quote is available from at least one broker, dealer, or pricing service (including a price provided only to certain customers or to subscribers) for property and the quoted price is substantially the same as the price for which the person receiving the quoted price could purchase or sell the property; a price quote is considered to be available whether the quote is initiated by a person providing the quote or provided at the request of the person receiving the quote; the identity of the person providing the quote must be reasonably ascertainable for a quote to be considered a firm quote for this purpose; a quote will be considered a firm quote if the quote is designated as a firm quote by the person providing the quote or if market participants typically purchase or sell, as the case may be, at the quoted price, even if the party providing the quote is not legally obligated to purchase or sell at that price); or (iii) there are one or more indicative quotes for the investment (an indicative quote is considered to exist when a price quote is available from at least one broker, dealer, or pricing service (including a price provided only to certain customers or to subscribers) for property and the price

quote is not a firm quote described in the prior clause). However, a maturity of a debt instrument is not treated as traded on an established market if at the time the determination is made the outstanding stated principal amount of the maturity that includes the debt instrument does not exceed \$100,000,000 (or, for a debt instrument denominated in a currency other than the U.S. dollar, the equivalent amount in the currency in which the debt instrument is denominated).

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the City. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this section.

The foregoing provisions of this section satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this section are contained herein for the protection of the City, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Note. The City may contact Bond Counsel if it does not wish to comply with the provisions of this section. Modifications to this Tax Agreement can be made in accordance with Section 7.8 hereof.

Section 4.4. Arbitrage Elections. The Mayor and City Treasurer are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

ARTICLE V

YIELD AND INVESTMENT LIMITATIONS

Section 5.1. Issue Price. For purposes of determining the Yield on the Note, the purchase price of the Note is equal to the price being paid to the City by the Purchaser, which is the par amount of the Note. The Purchaser has certified that it is buying the Note as an investment for its own account with no intention to resell the Note. The purchase price of the Note is not less than the fair market value of the Note as of the date the Purchaser agreed to buy the Note.

Section 5.2. Yield Limits. (a) Except as provided in paragraph (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Note plus, if only amounts in the Project Fund are subject to this yield limitation, 1/8th of one percent.

- (b) The following may be invested without Yield restriction:
 - (i) amounts qualifying for a temporary period consisting of:
 - (A) amounts on deposit in the Note Fund (except for capitalized interest) that have not been on deposit under the Ordinance for more than

13 months, so long as the Note Fund continues to qualify as a bona fide debt service fund as described in Section 3.2 hereof;

(B) amounts on deposit in the Project Fund prior to the earlier of three years after Closing or the date the City no longer expects to spend all such amounts;

(ii) amounts qualifying for other exceptions consisting of:

(A) an amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;

(B) amounts invested in Qualified Tax Exempt Obligations;

(C) amounts in the Rebate Fund;

(D) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(E) all amounts derived from the investment of Sale Proceeds or investment earnings thereon for a period of one year from the date received.

Section 5.3. Federal Guarantees. Except as otherwise permitted by the Regulations, no portion of the payment of principal or interest on the Note or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). This Section does not apply to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

Section 5.4. Federally Guaranteed Investments. (a) Certain Gross Proceeds may not be invested in a manner that is considered to create a federal guarantee. The restrictions in this Section 5.4 applies to all Gross Proceeds except:

(i) amounts on deposit in the Project Fund prior to the earlier of three years after Closing or the date the City no longer expects to spend all such amount;

(ii) amounts on deposit in the Note Fund to the extent the Note Fund qualifies as a bona fide debt service fund described in Section 3.2;

(b) If the City holds any Gross Proceeds other than those listed in the preceding paragraph (a), then any such Gross Proceeds in an amount in excess of five percent of the Sale Proceeds shall not be invested in:

- (i) federally insured deposits or accounts, such as bank accounts and C.D.s;
- (ii) Obligations of or directly or indirectly guaranteed, in whole or in part, by the United States (or any agency or instrumentality of the United States), other than the following:
 - (a) United States Treasury Obligations;
 - (b) obligations issued by the Ordinance Funding Corporation pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended by Section 511 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, or any successor provision (*e.g.*, Refcorp Strips); and
 - (c) obligations guaranteed by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

Because of these investment limitations, after the date three years after Closing, any amounts remaining in the Project Fund must be invested in U.S. Treasury obligations (including obligations of the State and Local Government Series, known as SLGS) or otherwise invested to avoid violating the restrictions set forth in this section.

ARTICLE VI

PRIVATE ACTIVITY NOTE REPRESENTATIONS; FORM 8038-G; BANK QUALIFICATION

Section 6.1. Payment and Use Tests. (a) No more than five percent of the Sale Proceeds plus investment earnings thereon (not including amounts used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) and amounts invested in a reserve or replacement fund), will be used, directly or indirectly, in whole or in part, in any Private Business Use.

(b) The payment of more than five percent of the principal of or the interest on the Note will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the City or a member of the same Controlled Group as the City) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of five percent of the sum of Sale Proceeds and investment earnings thereon ((not including amounts used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) and amounts invested in a reserve or replacement fund) or \$5,000,000 will be used, directly or indirectly, to make or finance loans to any persons.

(d) No user of the Project other than a state or local governmental unit will use more than five percent of the Project, in the aggregate, on any basis other than the same basis as the general public.

Section 6.2. I.R.S. Form 8038-G. The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, set forth as *Exhibit C* attached hereto is true and complete. The City will file Form 8038-G (and all other required information reporting forms) in a timely manner.

Section 6.3. Bank Qualification. Prior to the date hereof during the current calendar year, no obligations that have been designated as “qualified tax-exempt obligations” for the purposes and within the meaning of Section 265(b)(3) of the Code have been issued by any of the following: (i) the City; (ii) an entity issuing obligations on behalf of the City; and (iii) any member of the same Controlled Group as the City or the same Controlled Group as an entity issuing obligations on behalf of the City.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Termination. This Tax Agreement shall terminate at the later of (a) 75 days after the Note has been fully paid and retired or (b) the date on which all payments, if any, required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of Sections 4.2, 4.3(c) and Section 7.9 shall not terminate until the third anniversary of the date the Note is fully paid and retired.

Section 7.2. Separate Issue. Since a date that is at least 15 days prior to the Sale Date of the Note, neither the City nor any member of the same Controlled Group as the City has sold or delivered any obligations other than the Note that are reasonably expected to be paid out of substantially the same source of funds as the Note. Neither the City nor any member of the same Controlled Group as the City will sell or deliver within 15 days after the date hereof any obligations other than the Note that are reasonably expected to be paid out of substantially the same source of funds as the Note.

Section 7.3. No Sale of the Project. (a) Other than as provided in the next sentence, neither the Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the City of the property (determined on the date of issuance of the Note) or (ii) the maturity date of the Note. The City may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of

the reasonably expected economic life to the City of the property (determined on the date of issuance of the Note) or (ii) the maturity of the Note, provided: (A) the weighted average maturity of the Note financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the City reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the City deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the City reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The City acknowledges that if Note-financed property is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a “deliberate action” within the meaning of the Regulations that may require prompt remedial actions to prevent interest on the Note from being included in gross income for federal income tax purposes. The City shall promptly contact Bond Counsel if a sale or other disposition of Note-financed property in a manner contrary to (a) above is considered by the City.

Section 7.4. Purchase of Note by City. The City will not purchase the Note except to cancel such Note (or portions thereof).

Section 7.5. First Call Date Limitation. The period between the date of Closing and the first call date of the Note is not more than 10-1/2 years.

Section 7.6. Registered Form. The City recognizes that Section 149(a) of the Code requires the Note to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Note is delivered. In this connection, the City agrees that it will maintain the Note in registered form and will not take any action to permit the Note to be issued in, or converted into, bearer or coupon form.

Section 7.7. Future Events. The City acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth in this Tax Agreement. The City shall promptly contact Bond Counsel if such changes do occur.

Section 7.8. Permitted Changes; Opinion of Bond Counsel. Any restriction or covenant contained herein need not be observed, and any provision of this Tax Agreement may be changed or amended, only if (in addition to any requirements for a particular change contained elsewhere in this Tax Agreement) such nonobservance, change or amendment will not result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Note or the inclusion of interest on the Note as an item of tax preference in computing the alternative minimum tax for individuals or corporations under the Code and the City receives an opinion of Bond Counsel to such effect.

Section 7.9. Records Retention. The City agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Note

from federal income taxation, to demonstrate compliance with the covenants in this Tax Agreement, and to show that all tax-exempt Note related tax returns related to the Note submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Note transaction (including this Tax Agreement, the Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Note proceeds; documentation evidencing the use of Note-financed property by public and private entities (including, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Note; and documentation pertaining to any investment of Note proceeds (including the information required under Section 4.2 and Section 4.3 hereof and in particular information related to the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments if any, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Note is outstanding, plus the period ending three years after the latest of the final payment date of the Note or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Note.

Section 7.10. Post-Issuance Compliance Policy. The City acknowledges that the Internal Revenue Service encourages issuers of tax-exempt bonds to adopt written post-issuance compliance policies in addition to its bond documents, and provides certain potential benefits to issuers that do so. Post issuance compliance policies may include provisions that specify the official(s) with responsibility for monitoring compliance, a description of the training provided to such responsible official(s) with regard to monitoring compliance, the frequency of compliance checks (must be at least annual), the nature of the compliance activities required to be undertaken, the procedures used to timely identify and elevate the resolution of a violation when it occurs or is expected to occur, procedures for the retention of all records material to substantiate compliance with the applicable federal tax requirements, and an awareness of the availability of Internal Revenue Service's voluntary closing agreement program and other remedial actions to resolve violations.

The City has adopted written post-issuance compliance policies, which are maintained by the City separately.

Section 7.11. Severability. If any clause, provision or section of this Tax Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, sections or provisions hereof.

Section 7.12. Successors and Assigns. The terms, provisions, covenants and conditions of this Tax Agreement shall bind and inure to the benefit of the respective successors and assigns of the City.

Section 7.13. Headings. The headings of this Tax Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Tax Agreement.

Section 7.14. Governing Law. This Tax Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 7.15. Expectations. The City (including the undersigned officer) has reviewed the facts, estimates and circumstances presented by the City and other persons in existence on the date of issuance of the Note. On the basis of the facts and estimates contained herein, the City has adopted the expectations contained herein. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

DATED: August 18, 2016

CITY OF DECATUR, MACON COUNTY, ILLINOIS

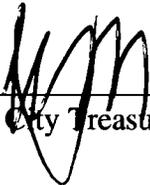
By  _____
City Treasurer

EXHIBIT A
ESTIMATED SOURCES AND USES OF FUNDS

SOURCES:

| | 1ST DRAW AUGUST 18, 2016 | FUTURE DRAWS | TOTAL |
|---------------------|--------------------------------|--------------|--------------------|
| FACE AMOUNT OF NOTE | \$50,000 | \$2,150,000 | <u>\$2,200,000</u> |
| TOTAL | \$50,000 | \$2,150,000 | \$2,200,000 |

USES AT CLOSING:

| | 1ST DRAW AUGUST 18, 2016 | FUTURE DRAWS | TOTAL |
|-------------------|--------------------------------|--------------|-------------|
| Project Costs | \$42,500 | \$2,150,000 | \$2,192,500 |
| Costs of Issuance | \$7,500 | 0 | \$7,500 |
| TOTAL | \$50,000 | \$2,150,000 | \$2,200,000 |

EXHIBIT B

MINIMUM LOAN SCHEDULE

| <u>Date</u> | <u>Aggregate Minimum Loan Requirement</u> |
|-------------|---|
| 02/01/2017 | \$250,000 |
| 08/01/2017 | 320,000 |
| 02/01/2018 | 1,000,000 |
| 08/15/2019 | 2,200,000 |

EXHIBIT C
[FORM 8038-G]

EXHIBIT D
GROSS PROCEEDS*

Project Fund

Note Fund

* If, any amounts are held contrary to the expectations described in Article III of the Tax Agreement, such amounts may also constitute Gross Proceeds. Further, if any Note-financed property is sold or otherwise disposed of, contrary to the expectations described in the Tax Agreement, any amounts received from such sale or other disposition may also constitute Gross Proceeds.

EXHIBIT E

ECONOMIC LIFE WORKSHEET

| DESCRIPTION OF CAPITAL IMPROVEMENTS | ESTIMATED COST | ECONOMIC LIFE |
|--|-------------------|------------------|
| Land Acquisition | | |
| New Building Acquisition/Construction | | |
| Building Renovation | \$2,200,000 | 20 years |
| Site Preparation or Improvements | | |
| Equipment | | |
| Other | _____ | |
| TOTAL | \$2,200,000 | |

CERTIFICATE OF BANK
\$7,500,000 PROMISSORY NOTE (STREET IMPROVEMENTS)

I, the undersigned, as an officer of Busey Bank, Decatur, Illinois (the “*Bank*”), do hereby certify that I am duly authorized to give this certificate and I do further certify as follows:

1. The Bank is taking up a portion of that certain not to exceed \$7,500,000 aggregate principal amount Promissory Note (the “*Note*”), being issued on even date herewith by the City of Decatur, Macon County, Illinois (the “*City*”), and drawn under the Term Loan Agreement (the “*Agreement*”), dated the date hereof, between the City and the Bank, and in connection therewith has been provided a copy of: (a) documents authorizing the issuance of the Note, including that certain ordinance adopted by the Council of the City on the 15th day of August, 2016 (the “*Ordinance*”), and authorizing the issuance of the Note; (b) the Agreement; (c) the opinion of Chapman and Cutler LLP, bond counsel, relating to the legality of the issuance of the Note; and (d) such financial, corporate and general information respecting the City and the Project (as defined in the Ordinance), as the Bank has deemed necessary to enable the Bank to make an informed investment judgement with respect to taking up the Note, and no inference should be drawn that the Bank is relying on the City or Chapman and Cutler LLP as to any such matters.

2. The Bank has full power and authority to execute this letter and to take up the Note.

3. The Bank is aware that any investment involves inherent risks and, as such, the security behind that investment should be fully understood.

4. The Bank has independently investigated the circumstances surrounding the issuance of the Note and the security and sources of payment therefor. The Bank has had ample opportunity to request, and has received, information relating to the Note and the City. The Bank acknowledges that, as between it and all of such parties, it has assumed responsibility for obtaining such information and making such review.

5. The Bank is a sophisticated investor, can bear the economic risk of taking up the Note, has such knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar investments, as to be capable of evaluating the merits and risks of an investment in the Note, and is familiar with the City and its financial affairs and the terms and nature of the security for the Note (“*Financial Information*”). The Bank has invested in other instruments similar in kind to the Note. The Bank has been given such information and access to information from the City sufficient for the Bank to satisfy itself as to the Financial Information.

6. The Bank is taking up the Note for its own account for investment and not with a current view to the distribution, transfer or resale thereof, *provided* that, except as otherwise provided herein, the disposition of the Note shall at all times be within its sole control. In the event that the Bank resells or otherwise disposes of the Note or of any portion thereof, such resale or other disposition shall comply with all then applicable laws; and shall be done in a

manner not constituting a so-called “*public offering*” under the securities laws of the United States of America or the State of Illinois as now or as then may be in effect.

7. The Bank understands that the Note has not been registered with any federal or state securities agency or commission. The Bank agrees not to sell or transfer the Note except in compliance with any applicable federal or state securities laws.

8. The Bank has satisfied itself that the Note is a lawful investment for the Bank under all applicable laws.

9. The Bank has carefully read the Ordinance and the Agreement.

10. The Bank agrees that it will not resell the Note to other than a sophisticated investor that will also, at such time, certify that it is familiar with the City and the Financial Information, and will execute and deliver to the City a certificate substantially in the form hereof.

11. The Bank acknowledges that no credit rating has been sought or obtained with respect to the Note.

12. The undersigned understands that (i) Chapman and Cutler LLP (“*Chapman*”) has been engaged by the City to act as Bond Counsel for the Note, (ii) Chapman’s engagement as Bond Counsel by the City is limited in scope and Chapman has an attorney-client relationship with the City and not with us, (iii) we have received a copy of Chapman’s engagement letter that outlines its role in the financing, (iv) we will refer to our own general or special counsel as necessary, (v) at this time Chapman may be representing us in unrelated matters and our consent to Chapman’s representation of the City is required, (vi) our consent extends only to the representation of the City as Bond Counsel in connection with the Note and does not extend to any actual or potential litigation, arbitration or other adversary proceeding or claim against us or any of our subsidiaries in connection with the representation, (vii) in the event of any such claim or proceeding, Chapman would be disqualified from representing the City with respect to such claim or proceeding unless we or an appropriate subsidiary were to give a new consent at that time, which consent would be wholly discretionary, and (viii) evidence of our consent is given by executing this investment letter.

The foregoing representations shall survive the execution and delivery to the Bank of the Note and the instruments and documents contemplated thereby.

IN WITNESS WHEREOF, I have hereunto set my official signature for the Bank this 18th day of August, 2016.

BUSEY BANK,
Decatur, Illinois

By 
Its Vice President

CERTIFICATE OF BANK
\$2,200,000 PROMISSORY NOTE (FIRE STATION PROJECTS)

I, the undersigned, as an officer of Busey Bank, Decatur, Illinois (the “*Bank*”), do hereby certify that I am duly authorized to give this certificate and I do further certify as follows:

1. The Bank is taking up a portion of that certain not to exceed \$2,200,000 aggregate principal amount Promissory Note (the “*Note*”), being issued on even date herewith by the City of Decatur, Macon County, Illinois (the “*City*”), and drawn under the Term Loan Agreement (the “*Agreement*”), dated the date hereof, between the City and the Bank, and in connection therewith has been provided a copy of: (a) documents authorizing the issuance of the Note, including that certain ordinance adopted by the Council of the City on the 15th day of August, 2016 (the “*Ordinance*”), and authorizing the issuance of the Note; (b) the Agreement; (c) the opinion of Chapman and Cutler LLP, bond counsel, relating to the legality of the issuance of the Note; and (d) such financial, corporate and general information respecting the City and the Project (as defined in the Ordinance), as the Bank has deemed necessary to enable the Bank to make an informed investment judgement with respect to taking up the Note, and no inference should be drawn that the Bank is relying on the City or Chapman and Cutler LLP as to any such matters.

2. The Bank has full power and authority to execute this letter and to take up the Note.

3. The Bank is aware that any investment involves inherent risks and, as such, the security behind that investment should be fully understood.

4. The Bank has independently investigated the circumstances surrounding the issuance of the Note and the security and sources of payment therefor. The Bank has had ample opportunity to request, and has received, information relating to the Note and the City. The Bank acknowledges that, as between it and all of such parties, it has assumed responsibility for obtaining such information and making such review.

5. The Bank is a sophisticated investor, can bear the economic risk of taking up the Note, has such knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar investments, as to be capable of evaluating the merits and risks of an investment in the Note, and is familiar with the City and its financial affairs and the terms and nature of the security for the Note (“*Financial Information*”). The Bank has invested in other instruments similar in kind to the Note. The Bank has been given such information and access to information from the City sufficient for the Bank to satisfy itself as to the Financial Information.

6. The Bank is taking up the Note for its own account for investment and not with a current view to the distribution, transfer or resale thereof, *provided* that, except as otherwise provided herein, the disposition of the Note shall at all times be within its sole control. In the event that the Bank resells or otherwise disposes of the Note or of any portion thereof, such resale or other disposition shall comply with all then applicable laws; and shall be done in a

manner not constituting a so-called “*public offering*” under the securities laws of the United States of America or the State of Illinois as now or as then may be in effect.

7. The Bank understands that the Note has not been registered with any federal or state securities agency or commission. The Bank agrees not to sell or transfer the Note except in compliance with any applicable federal or state securities laws.

8. The Bank has satisfied itself that the Note is a lawful investment for the Bank under all applicable laws.

9. The Bank has carefully read the Ordinance and the Agreement.

10. The Bank agrees that it will not resell the Note to other than a sophisticated investor that will also, at such time, certify that it is familiar with the City and the Financial Information, and will execute and deliver to the City a certificate substantially in the form hereof.

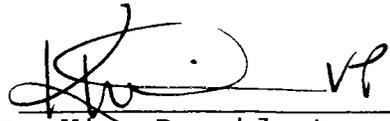
11. The Bank acknowledges that no credit rating has been sought or obtained with respect to the Note.

12. The undersigned understands that (i) Chapman and Cutler LLP (“*Chapman*”) has been engaged by the City to act as Bond Counsel for the Note, (ii) Chapman’s engagement as Bond Counsel by the City is limited in scope and Chapman has an attorney-client relationship with the City and not with us, (iii) we have received a copy of Chapman’s engagement letter that outlines its role in the financing, (iv) we will refer to our own general or special counsel as necessary, (v) at this time Chapman may be representing us in unrelated matters and our consent to Chapman’s representation of the City is required, (vi) our consent extends only to the representation of the City as Bond Counsel in connection with the Note and does not extend to any actual or potential litigation, arbitration or other adversary proceeding or claim against us or any of our subsidiaries in connection with the representation, (vii) in the event of any such claim or proceeding, Chapman would be disqualified from representing the City with respect to such claim or proceeding unless we or an appropriate subsidiary were to give a new consent at that time, which consent would be wholly discretionary, and (viii) evidence of our consent is given by executing this investment letter.

The foregoing representations shall survive the execution and delivery to the Bank of the Note and the instruments and documents contemplated thereby.

IN WITNESS WHEREOF, I have hereunto set my official signature for the Bank this 18th day of August, 2016.

BUSEY BANK,
Decatur, Illinois

By  VP
Its Vice President

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
 ▶ See separate instructions.
 Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

| | | |
|---|------------|---|
| Part I Reporting Authority | | If Amended Return, check here <input type="checkbox"/> |
| 1 Issuer's name City of Decatur, Macon County, Illinois | | 2 Issuer's employer identification number (EIN) 36-6001308 |
| 3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) | | 3b Telephone number of other person shown on 3a |
| 4 Number and street (or P O box if mail is not delivered to street address) One Gary K. Anderson Plaza | Room/suite | 5 Report number (For IRS Use Only) 3 |
| 6 City, town, or post office, state, and ZIP code Decatur, Illinois 62523 | | 7 Date of issue 8/18/16 |
| 8 Name of issue Promissory Note | | 9 CUSIP number NA |
| 10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Gregg D. Zientara, City Treasurer | | 10b Telephone number of officer or other employee shown on 10a (217) 424-2700 |

| | | |
|--|----|--------------|
| Part II Type of Issue (enter the issue price). See the instructions and attach schedule. | | |
| 11 Education | 11 | |
| 12 Health and hospital | 12 | |
| 13 Transportation | 13 | 7,500,000 00 |
| 14 Public safety | 14 | |
| 15 Environment (including sewage bonds) | 15 | |
| 16 Housing | 16 | |
| 17 Utilities | 17 | |
| 18 Other. Describe ▶ | 18 | |
| 19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/> | | |
| If obligations are BANs, check only box 19b <input type="checkbox"/> | | |
| 20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/> | | |

| Part III Description of Obligations. Complete for the entire issue for which this form is being filed. | | | | | |
|---|-------------------------|-----------------|---|-------------------------------|-----------|
| | (a) Final maturity date | (b) Issue price | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield |
| 21 | 08/15/2023 | \$ 7,500,000.00 | \$ 7,500,000 | 3.742 years | 2.85 % |

| | | | | | |
|--|--|----|-----------|----|--|
| Part IV Uses of Proceeds of Bond Issue (including underwriters' discount) | | | | | |
| 22 | Proceeds used for accrued interest | 22 | 0 | 00 | |
| 23 | Issue price of entire issue (enter amount from line 21, column (b)) | 23 | 7,500,000 | 00 | |
| 24 | Proceeds used for bond issuance costs (including underwriters' discount) | 24 | 17,500 | 00 | |
| 25 | Proceeds used for credit enhancement | 25 | 0 | 00 | |
| 26 | Proceeds allocated to reasonably required reserve or replacement fund | 26 | 0 | 00 | |
| 27 | Proceeds used to currently refund prior issues | 27 | 0 | 00 | |
| 28 | Proceeds used to advance refund prior issues | 28 | 0 | 00 | |
| 29 | Total (add lines 24 through 28) | 29 | 17,500 | 00 | |
| 30 | Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) | 30 | 7,482,500 | 00 | |

| | |
|---|--|
| Part V Description of Refunded Bonds. Complete this part only for refunding bonds. | |
| 31 | Enter the remaining weighted average maturity of the bonds to be currently refunded <input type="checkbox"/> _____ years |
| 32 | Enter the remaining weighted average maturity of the bonds to be advance refunded <input type="checkbox"/> _____ years |
| 33 | Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) <input type="checkbox"/> _____ |
| 34 | Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY) |

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35**
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) **36a**
- b** Enter the final maturity date of the GIC ▶ _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37**
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
 - b** Enter the date of the master pool obligation ▶ _____
 - c** Enter the EIN of the issuer of the master pool obligation ▶ _____
 - d** Enter the name of the issuer of the master pool obligation ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶
- 41a** If the issuer has identified a hedge, check here and enter the following information:
 - b** Name of hedge provider ▶ _____
 - c** Type of hedge ▶ _____
 - d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box ▶
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ▶
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

| | | | | | |
|-------------------------------|---|--------------------------|---|---|--------------------------|
| Signature and Consent | Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above. | | | | |
| | Signature of issuer's authorized representative | 08/18/2016 Date | Gregg D. Zientara, City Treasurer Type or print name and title | | |
| Paid Preparer Use Only | Print/Type preparer's name Kelly Kost | Preparer's signature | Date 08/18/2016 | Check <input type="checkbox"/> if self-employed | PTIN P00994572 |
| | Firm's name ▶ Chapman and Cutler LLP | | | Firm's EIN ▶ 36-2153731 | |
| | Firm's address ▶ 111 West Monroe Street, Chicago, Illinois 60603 | | | Phone no. (312) 845-3000 | |

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.
 Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

| | | |
|---|------------|---|
| Part I Reporting Authority | | If Amended Return, check here <input type="checkbox"/> |
| 1 Issuer's name City of Decatur, Macon County, Illinois | | 2 Issuer's employer identification number (EIN) 36-6001308 |
| 3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) | | 3b Telephone number of other person shown on 3a |
| 4 Number and street (or P.O. box if mail is not delivered to street address) One Gary K. Anderson Plaza | Room/suite | 5 Report number (For IRS Use Only) 3 |
| 6 City, town, or post office, state, and ZIP code Decatur, Illinois 62523 | | 7 Date of issue 8/18/16 |
| 8 Name of issue Promissory Note | | 9 CUSIP number NA |
| 10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Gregg D. Zientara, City Treasurer | | 10b Telephone number of officer or other employee shown on 10a (217) 424-2700 |

| | | |
|--|----|--------------|
| Part II Type of Issue (enter the issue price). See the instructions and attach schedule. | | |
| 11 Education | 11 | |
| 12 Health and hospital | 12 | |
| 13 Transportation | 13 | |
| 14 Public safety | 14 | 2,200,000 00 |
| 15 Environment (including sewage bonds) | 15 | |
| 16 Housing | 16 | |
| 17 Utilities | 17 | |
| 18 Other. Describe ► | 18 | |
| 19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/> | | |
| If obligations are BANs, check only box 19b <input type="checkbox"/> | | |
| 20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/> | | |

| Part III Description of Obligations. Complete for the entire issue for which this form is being filed. | | | | | |
|---|-------------------------|-----------------|---|-------------------------------|-----------|
| | (a) Final maturity date | (b) Issue price | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield |
| 21 | 08/15/2023 | \$ 2,200,000.00 | \$ 2,200,000 | 3.742 years | 2.85 % |

| | | | | | |
|--|--|----|-----------|----|--|
| Part IV Uses of Proceeds of Bond Issue (including underwriters' discount) | | | | | |
| 22 | Proceeds used for accrued interest | 22 | 0 | 00 | |
| 23 | Issue price of entire issue (enter amount from line 21, column (b)) | 23 | 2,200,000 | 00 | |
| 24 | Proceeds used for bond issuance costs (including underwriters' discount) | 24 | 7,500 | 00 | |
| 25 | Proceeds used for credit enhancement | 25 | 0 | 00 | |
| 26 | Proceeds allocated to reasonably required reserve or replacement fund | 26 | 0 | 00 | |
| 27 | Proceeds used to currently refund prior issues | 27 | 0 | 00 | |
| 28 | Proceeds used to advance refund prior issues | 28 | 0 | 00 | |
| 29 | Total (add lines 24 through 28) | 29 | 7,500 | 00 | |
| 30 | Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) | 30 | 2,192,500 | 00 | |

| | |
|---|--|
| Part V Description of Refunded Bonds. Complete this part only for refunding bonds. | |
| 31 | Enter the remaining weighted average maturity of the bonds to be currently refunded <input type="checkbox"/> _____ years |
| 32 | Enter the remaining weighted average maturity of the bonds to be advance refunded <input type="checkbox"/> _____ years |
| 33 | Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) <input type="checkbox"/> _____ |
| 34 | Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY) |

Part VI Miscellaneous

- | | | |
|------------|--|--|
| 35 | | |
| 36a | | |
| 37 | | |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
 - 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)
 - b** Enter the final maturity date of the GIC ▶ _____
 - c** Enter the name of the GIC provider ▶ _____
 - 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
 - 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
 - b** Enter the date of the master pool obligation ▶ _____
 - c** Enter the EIN of the issuer of the master pool obligation ▶ _____
 - d** Enter the name of the issuer of the master pool obligation ▶ _____
 - 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box
 - 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
 - 41a** If the issuer has identified a hedge, check here and enter the following information:
 - b** Name of hedge provider ▶ _____
 - c** Type of hedge ▶ _____
 - d** Term of hedge ▶ _____
 - 42** If the issuer has superintegrated the hedge, check box
 - 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box
 - 44** If the issuer has established written procedures to monitor the requirements of section 148, check box
 - 45a** If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
 - b** Enter the date the official intent was adopted ▶ _____

| | | | | | |
|-------------------------------|---|--------------------------|---|---|--------------------------|
| Signature and Consent | Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above. | | | | |
| | Signature of issuer's authorized representative | 08/18/2016 Date | Gregg D. Zientara, City Treasurer Type or print name and title | | |
| Paid Preparer Use Only | Print/Type preparer's name Kelly Kost | Preparer's signature | Date 08/18/2016 | Check <input type="checkbox"/> if self-employed | PTIN P00994572 |
| | Firm's name ▶ Chapman and Cutler LLP | | | Firm's EIN ▶ 36-2153731 | |
| | Firm's address ▶ 111 West Monroe Street, Chicago, Illinois 60603 | | | Phone no. (312) 845-3000 | |

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

7013 1710 0002 3021 8091

| | |
|---|---------------|
| Postage | \$6.47 |
| Certified Fee | 1.31 |
| Return Receipt Fee (Endorsement Required) | 2016 |
| Restricted Delivery Fee (Endorsement Required) | 1150 |
| Total Postage & Fees | \$6.47 |

Postmark
Here

Sent To **INTERNAL REVENUE SERVICE CENTER**
OGDEN, UT 84201
 Street, Apt. or PO Box No.
 City, State, ZIP+4
Kost-224677 # 224672 - C of Decatur

PROMISSORY NOTE

\$7,500,000

Dated August 18, 2016

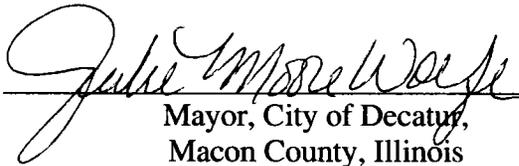
FOR VALUE RECEIVED, the undersigned, City of Decatur, Macon County, Illinois, a duly organized municipality, home rule unit and political subdivision of the State of Illinois (the "City"), hereby promises to pay to the order of BUSEY BANK (the "Bank") at its office at 130 North Water Street, Decatur, Illinois, the lesser of Seven Million Five Hundred Thousand and 00/100 DOLLARS (\$7,500,000), and the aggregate principal balance of the Loans advanced to the City by the Bank under the Commitment provided for in the Term Loan Agreement hereafter mentioned, payable in principal installments in the amounts and at the times set forth in Section 1.1 of the Term Loan Agreement, with a final installment of all principal not sooner paid due and payable on the Maturity Date.

This Note evidences the Loans made to the City by the Bank under that certain Term Loan Agreement dated as of August 18, 2016, between the City and the Bank (said Term Loan Agreement, as the same may be amended, modified or restated from time to time, being referred to herein as the "Term Loan Agreement"), and the City hereby promises to pay interest at the office described above on the Loans evidenced hereby at the rate and at the times and in the manner specified therefor in the Term Loan Agreement.

This Note is issued by the City under the terms and provisions of the Term Loan Agreement, and this Note and the holder hereof are entitled to all of the benefits and security provided for thereby or referred to therein, to which reference is hereby made for a statement thereof. This Note may be declared to be, or be and become, due prior to its expressed maturity, voluntary prepayments may be made hereon, and certain prepayments are required to be made hereon, all in the events, on the terms and with the effects provided in the Term Loan Agreement. All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in the Term Loan Agreement.

The City hereby waives presentment for payment and demand. THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF ILLINOIS.

CITY OF DECATUR, MACON COUNTY, ILLINOIS



Mayor, City of Decatur,
Macon County, Illinois

Attest:



City Clerk, City of Decatur,
Macon County, Illinois

PROMISSORY NOTE

\$2,200,000

Dated August 18, 2016

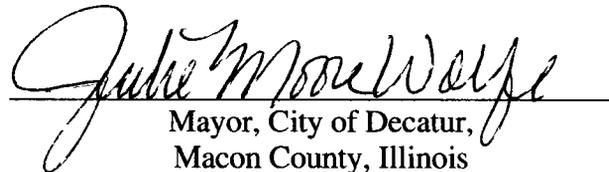
FOR VALUE RECEIVED, the undersigned, City of Decatur, Macon County, Illinois, a duly organized municipality, home rule unit and political subdivision of the State of Illinois (the "City"), hereby promises to pay to the order of BUSEY BANK (the "Bank") at its office at 130 North Water Street, Decatur, Illinois, the lesser of Two Million Two Hundred Thousand and 00/100 DOLLARS (\$2,200,000), and the aggregate principal balance of the Loans advanced to the City by the Bank under the Commitment provided for in the Term Loan Agreement hereafter mentioned, payable in principal installments in the amounts and at the times set forth in Section 1.1 of the Term Loan Agreement, with a final installment of all principal not sooner paid due and payable on the Maturity Date.

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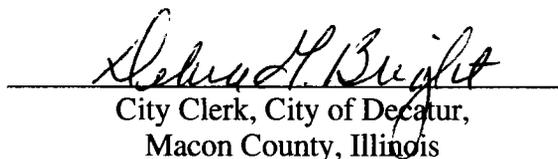
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CITY OF DECATUR, MACON COUNTY, ILLINOIS



Mayor, City of Decatur,
Macon County, Illinois

Attest:



City Clerk, City of Decatur,
Macon County, Illinois