

CITY OF COLUMBIA, ILLINOIS

ORDINANCE NO. 2649

AN ORDINANCE SUPPLEMENTING ORDINANCE NO. 2633 OF THE CITY OF COLUMBIA ADOPTED ON FEBRUARY 18, 2008 BY FURTHER PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION CAPITAL PROJECTS AND REFUNDING BONDS (PUBLIC UTILITY TAXES ALTERNATE REVENUE SOURCE) OF THE CITY OF COLUMBIA, MONROE AND ST. CLAIR COUNTIES, ILLINOIS, IN THE PRINCIPAL AMOUNT OF SIX MILLION DOLLARS (\$6,000,000) FOR THE PURPOSE OF FINANCING CERTAIN CAPITAL PROJECTS OF THE CITY AND REFUNDING CERTAIN PUBLIC IMPROVEMENT BONDS, PUBLIC UTILITY TAXES ALTERNATE REVENUE SOURCE, DATED MAY 1, 2001 AND DECEMBER 1, 2001, OF SAID CITY, SAID BONDS TO BE PAYABLE PRIMARILY FROM THE REVENUES OF THE PUBLIC UTILITY TAXES OF SAID CITY BUT ALTERNATIVELY FROM AD VALOREM PROPERTY TAXES; PRESCRIBING THE FORM AND INCIDENTS OF SAID BONDS; DESIGNATING SAID BONDS AS ALTERNATE BONDS UNDER THE LOCAL GOVERNMENT DEBT REFORM ACT OF THE STATE OF ILLINOIS; PROVIDING FOR THE LEVY OF A TAX FOR THE PAYMENT OF SAID BONDS, BOTH AS TO PRINCIPAL AND INTEREST; AND PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF CERTAIN PUBLIC UTILITY TAX REVENUES OF THE CITY FOR THE PURPOSE OF PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SAID BONDS.

Adopted by the
City Council
of the
City of Columbia, Illinois
this 21st day of April, 2008

Published in pamphlet form by authority
of the City Council of the City of
Columbia, Illinois, this 30th day
of April, 2008.

APR 21 2008

ORDINANCE NO. 2649


City Clerk

AN ORDINANCE SUPPLEMENTING ORDINANCE NO. 2633 OF THE CITY OF COLUMBIA ADOPTED ON FEBRUARY 18, 2008 BY FURTHER PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION CAPITAL PROJECTS AND REFUNDING BONDS (PUBLIC UTILITY TAXES ALTERNATE REVENUE SOURCE) OF THE CITY OF COLUMBIA, MONROE AND ST. CLAIR COUNTIES, ILLINOIS, IN THE PRINCIPAL AMOUNT OF SIX MILLION DOLLARS (\$6,000,000) FOR THE PURPOSE OF FINANCING CERTAIN CAPITAL PROJECTS OF THE CITY AND REFUNDING CERTAIN PUBLIC IMPROVEMENT REVENUE BONDS, DATED MAY 1, 2001 AND DECEMBER 1, 2001, OF SAID CITY, SAID BONDS TO BE PAYABLE PRIMARILY FROM THE REVENUES OF THE PUBLIC UTILITY TAXES OF SAID CITY BUT ALTERNATIVELY FROM AD VALOREM PROPERTY TAXES; PRESCRIBING THE FORM AND INCIDENTS OF SAID BONDS; DESIGNATING SAID BONDS AS ALTERNATE BONDS UNDER THE LOCAL GOVERNMENT DEBT REFORM ACT OF THE STATE OF ILLINOIS; PROVIDING FOR THE LEVY OF A TAX FOR THE PAYMENT OF SAID BONDS, BOTH AS TO PRINCIPAL AND INTEREST; AND PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF CERTAIN PUBLIC UTILITY TAX REVENUES OF THE CITY FOR THE PURPOSE OF PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SAID BONDS.

WHEREAS, the City of Columbia, Monroe and St. Clair Counties, Illinois, now collects Public Utility Taxes in and for said City; and

WHEREAS, the City Council of the City of Columbia, Illinois, deems it advisable, necessary, and for the best interests of said City that the City enter into the following Capital Projects:

1. The purchase of two separate parcels of real estate, situated at 140 South Main Street and 118 West Oak Street, within the City's municipal boundaries;
2. The purchase of a new platform fire truck; and
3. The purchase of new CAD and accounting software for the City's computer system, and, in furtherance thereof, on February 18, 2008, the City Council adopted an Ordinance pursuant to the Local Government Debt Reform Act of the State of Illinois, said Ordinance being numbered and entitled:

“ORDINANCE NO. 2633

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION CAPITAL PROJECTS AND REFUNDING BONDS (PUBLIC UTILITY TAXES ALTERNATE REVENUE SOURCE) OF THE CITY OF COLUMBIA, MONROE AND ST. CLAIR COUNTIES, ILLINOIS, IN THE PRINCIPAL AMOUNT OF SIX MILLION DOLLARS (\$6,000,000) FOR THE PURPOSE OF FINANCING CERTAIN CAPITAL PROJECTS OF THE CITY AND REFUNDING CERTAIN PUBLIC IMPROVEMENT BONDS, PUBLIC UTILITY TAXES ALTERNATE REVENUE SOURCE, DATED MAY 1, 2001 AND DECEMBER 1, 2001, OF SAID CITY, SAID BONDS TO BE PAYABLE PRIMARILY FROM THE REVENUES OF THE PUBLIC UTILITY TAXES OF SAID CITY BUT ALTERNATIVELY FROM AD VALOREM PROPERTY TAXES; PRESCRIBING THE FORM AND INCIDENTS OF SAID BONDS; DESIGNATING SAID BONDS AS ALTERNATE BONDS UNDER THE LOCAL GOVERNMENT DEBT REFORM ACT OF THE STATE OF ILLINOIS; AND PROVIDING FOR THE LEVY OF A TAX FOR THE PAYMENT OF SAID BONDS, BOTH AS TO PRINCIPAL AND INTEREST.”

WHEREAS, as required by said Act, said Ordinance No. 2633 was published on February 27, 2008, once in the *Clarion Journal*, a newspaper published and of general circulation in the City of Columbia, Monroe and St. Clair Counties, Illinois, so as to afford notice to electors of the City that a petition might be filed with the City Clerk asking that the question of the issuance of Capital Projects and Refunding Bonds (Public Utility Taxes Alternate Revenue Source) to pay the costs of the proposed capital projects and refund the Public Improvement Revenue Bonds to be refunded payable from a public utility taxes revenue source and, alternatively, from the levy of ad valorem taxes levied without limitation as to rate or amount upon all taxable property in the City be submitted to a referendum of the electors of the City on the question of issuance of such alternate bonds of the City; and

WHEREAS, accompanying the publication of said Ordinance was a separate Notice To Electors published in the same newspaper and on the same day as publication of said Ordinance No. 2633 which further afforded notice to the electors of the City of the minimum number of voters required to sign such petition, of the last date that such petition may be filed with the City Clerk, of the date for submission to the voters of the City the question contained in such petition

which the City Council would intend to certify to the County Clerk and of the public utility taxes revenue source that will be used to pay debt service on the alternate bonds; and

WHEREAS, the last date provided by statute for the filing of such petition has now passed and no sufficient petition, nor petition of any kind, was timely filed with the City Clerk nor has any such petition been later filed out of time; and

WHEREAS, the City Council of said City of Columbia has determined and does now again determine that said capital improvements and the refunding of certain outstanding Public Improvement Revenue Bonds should be accomplished pursuant to said Ordinance No. 2633 of the City; as supplemented by this Ordinance; and

WHEREAS, the estimated costs of the capital projects and contemplated refunding, including legal and other incidental expenses, is One Million, Eight Hundred Thousand Dollars (\$1,800,000); and

WHEREAS, in addition thereto, the estimated costs of accomplishing the proposed financing, including costs of underwriters' discount, legal fees, financial advisor's fees, and bond rating and insurance, and the refunding of the outstanding Public Improvement Revenue Bonds, will be at least the additional amount of Four Million, Two Hundred Thousand Dollars (\$4,200,000); and

WHEREAS, funds to meet the costs of the capital projects, and the costs of financing, including all related costs, and the costs of the contemplated refunding, will be met from the proceeds of the bonds hereby being issued, and from funds of the City available for the purpose; and

WHEREAS, the City Council does hereby find and declare that part of the cost of capital projects and the cost of accomplishing said contemplated refunding, to-wit: Six Million Dollars (\$6,000,000), should be met through the issuance of revenue source alternate bonds of said City payable, both as to principal and interest, from revenues and receipts derived from public utility taxes imposed by the City pursuant to Chapter 65 Illinois Compiled Statutes, Section 5/8-11-2 in the City and, alternatively, as alternate bonds, from the levy of ad valorem taxes upon all taxable property in the City, levied without limitation as to rate or amount, pursuant to the Local Government Debt Reform Act of the State of Illinois and Ordinance No. 2633 of the City, as supplemented by this Ordinance, adopted in accordance with said Act; and

WHEREAS, the following Public Improvement Revenue Bonds of said City, payable from the revenues of the said public utility taxes imposed by said City, are now outstanding:

\$1,830,000 (of \$3,100,000 authorized and issued) Public Improvement Revenue Bonds dated May 1, 2001, maturing on December 1 in each of the years 2008 through 2014, inclusive, and issued by authority of Ordinance No. 1952, of said City;

and

\$2,370,000 (of \$2,650,000 authorized and issued) Public Improvement Revenue Bonds dated December 1, 2001, maturing on December 1 in each of the years 2008 through 2019, inclusive, and issued by authority of Ordinance No. 2009, of said City;

and

WHEREAS, the said outstanding Public Improvement Revenue Bonds, by their terms, are callable prior to maturity on any date upon not less than thirty (30) days' written notice by the Paying Agent to the Registered Owners of said bonds, the Paying Agent and Registrar of said bonds being BNY Trust Company of Missouri, in the City of St. Louis, Missouri, which, at the request of the City, has agreed to give the required notice of call for redemption; and

WHEREAS, therefore, the City of Columbia is authorized by the provisions of the aforesaid Ordinance No. 2633 of the City, as supplemented by this Ordinance, and pursuant to the Local Government Debt Reform Act of the State of Illinois, to issue its revenue source alternate bonds in the amount of Six Million Dollars (\$6,000,000) for the purpose of accomplishing the aforesaid capital projects and refunding; and

WHEREAS, this City Council does hereby find and declare that the total estimated cost of financing the capital projects and refunding the said outstanding bonds, including legal, financing, and other incidental expenses, together with costs of issuing the proposed bonds, is at least Six Million Dollars (\$6,000,000) and that said total estimated cost of accomplishing the said financing and refunding should be met through the issuance of bonds payable from a revenue source available to the City for the purpose, the said revenue source being utility revenues and receipts of the City; and

WHEREAS, this City Council determines that such bonds be designated and issued as alternate bonds as provided in the Local Government Debt Reform Act (30 ILCS 350/1, et seq.),

said alternate bonds to be issued payable from the revenue source derived from the imposition pursuant to law of utility taxes and, alternatively, from ad valorem property taxes in the City:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLUMBIA, MONROE AND ST. CLAIR COUNTIES, ILLINOIS, AS FOLLOWS:

SECTION 1. That the recitals contained above in the preamble of this Ordinance are incorporated herein by reference, the same as if set forth in this Section of this Ordinance verbatim, as findings of the City Council of the City of Columbia, Monroe and St. Clair Counties, Illinois. That the City Council of the City of Columbia, Monroe and St. Clair Counties, Illinois, hereby determines and declares that the recitals contained in the preamble of this Ordinance are true and correct and that financing the capital projects and refunding of the outstanding Public Improvement Revenue Bonds and Public Improvement Revenue Bonds, Series II, should be accomplished.

SECTION 2. That the City Council hereby declares that the period of usefulness of the municipal facilities to be acquired by the City with the proceeds of the Bonds is twenty-five (25) years from the date of the bonds authorized hereby.

SECTION 3. That, for the purpose of paying the cost of financing the capital projects and refunding the said outstanding bonds, there are hereby authorized and directed to be issued General Obligation Capital Project and Refunding Bonds (Public Utility Taxes Alternate Revenue Source) of the City of Columbia, Monroe and St. Clair Counties, Illinois, in the aggregate principal amount of Six Million Dollars (\$6,000,000).

Said bonds shall have all the qualities of negotiable instruments under the laws of the State of Illinois;

Said bonds shall be dated May 1, 2008;

Said bonds shall be in the denomination of Five Thousand Dollars (\$5,000) each or a whole multiple thereof;

Said bonds shall bear interest at the per centum interest rates per annum set out below from the date thereof until the principal thereof shall be fully paid, payable semi-annually on June 1 and December 1 in each year, beginning on December 1, 2008;

Said bonds shall be issued as fully registered bonds payable, both as to principal and interest in lawful money of the United States of America, by check or draft drawn by the Paying Agent for said

bonds, BNY Trust Company of Missouri, in the City of St. Louis, State of Missouri, to the Registered Owner appearing on the books and records of the Bond Registrar, also BNY Trust Company of Missouri, in the City of St. Louis, State of Missouri, on the fifteenth (15th) day of the calendar month next preceding each such principal or interest payment date. Registration, payment of principal and interest, and transfer of the bonds shall be carried out by said Paying Agent and Bond Registrar in the manner specified on the face of the bonds and no bond shall be or become valid or obligatory for any purpose or be entitled to any security, source of payment, or benefit under this Ordinance until authenticated by the Bond Registrar in the manner provided on the face of the bonds; however, the bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, and individual purchase of bonds will be made in book entry form only; and

Said bonds shall bear interest at the rates per annum and shall mature on December 1 in each of the years and in the amounts as follows:

<u>Maturity Date</u>	<u>Interest</u>		<u>Maturity Date</u>	<u>Interest</u>	
<u>(Dec. 1)</u>	<u>Rate</u>	<u>Amount</u>	<u>(Dec. 1)</u>	<u>Rate</u>	<u>Amount</u>
2008	2.10%	\$175,000	2018	3.60%	\$300,000
2009	2.25%	\$185,000	2019	3.75%	\$315,000
2010	2.40%	\$200,000	2020	3.90%	\$325,000
2011	2.60%	\$210,000	2021	4.00%	\$335,000
2012	2.80%	\$220,000	2022	4.05%	\$350,000
2013	3.00%	\$235,000	2023	4.15%	\$375,000
2014	3.10%	\$250,000	2024	4.25%	\$400,000
2015	3.25%	\$265,000	2025	4.35%	\$420,000
2016	3.40%	\$275,000	2026	4.45%	\$425,000
2017	3.50%	\$290,000	2027	4.55%	\$450,000

The right is reserved unto said City to call in, pay, and redeem any or all bonds maturing in the year 2015, and thereafter, on December 1, 2014, or on any date thereafter, prior to their maturity in any order of maturity dates, as the City shall select, and by lot within the maturity in multiples of \$5,000 if less than all the bonds of that maturity are called at par plus accrued interest to date of redemption.

Notice of the call for redemption of any of said bonds shall be given by certified or registered United States mail, addressed to the Registered Owner and deposited in the United States mail, postage prepaid, not less than thirty (30) days before the redemption date, and such

notice shall be fully sufficient. Interest shall cease on any bond or portion of bond so called from and after the redemption date, provided funds are then available for its payment. If less than the entire principal amount of any bond be called for redemption as hereinabove provided, upon surrender of the bond to the Bond Registrar herein designated, the Bond Registrar shall issue to the Registered Owner of the bond, without charge, a new bond or bonds in the appropriate remaining principal amount.

SECTION 4. That said bonds shall be executed by the facsimile signature of the Mayor of said City, attested by the facsimile signature of the City Clerk with the seal of said City imprinted upon each bond in facsimile and each of said officers shall cause his manual signature, certified by him under oath, to be filed with the Secretary of State of the State of Illinois, and said bonds shall be authenticated by the manual signature of an authorized officer or employee of BNY Trust Company of Missouri, in the City of St. Louis, State of Missouri, which shall authenticate each of said bonds in its capacity as Bond Registrar.

SECTION 5. That said bonds and the authentication certificate and assignment form to be printed on the backs thereof shall be in substantially the following forms, to-wit:

(FORM OF BOND)

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTIES OF MONROE AND ST. CLAIR

CITY OF COLUMBIA

GENERAL OBLIGATION CAPITAL PROJECT AND REFUNDING BOND
(PUBLIC UTILITY TAXES ALTERNATE REVENUE SOURCE)

NUMBER: _____

CUSIP _____

INTEREST RATE: _____

MATURITY DATE: _____

ORIGINAL ISSUE DATE: May 1, 2008

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Columbia, Monroe and St. Clair Counties, Illinois, acknowledges itself indebted and, for value received, hereby promises to pay to the Registered Owner hereof, identified above on this bond or registered assigns, as hereinafter provided, primarily from sums on deposit to the credit of the Public Improvement Bond Account of the Capital Development Fund of the City of Columbia, Monroe and St. Clair Counties, as hereinafter mentioned and, alternatively, from ad valorem taxes which may be levied against all taxable property in the City of Columbia, Monroe and St. Clair Counties, Illinois, without limit as to rate or amount, the Principal Amount stated above on this bond on the Maturity Date likewise stated above on this bond and to pay to the Registered Owner interest on said Principal Amount from the date hereof or from the latest interest payment date to which such interest shall have been paid at the per centum Interest Rate per annum stated above on this bond payable on December 1, 2008, and semi-annually thereafter on June 1 and December 1 in each year until payment of the Principal Amount in full. No interest shall accrue on this bond after the Maturity Date hereof unless this bond be presented for payment at maturity and be not then paid.

Both the Principal Amount of and interest on this bond are payable in lawful money of the United States of America by check of or draft upon BNY Trust Company of Missouri, in the City of St. Louis, State of Missouri, the Paying Agent, mailed by prepaid United States mail to the Registered Owner at the address of the Registered Owner as appearing of record on the fifteenth (15th) day of the calendar month next preceding each of the aforesaid interest payment dates on the books and records of BNY Trust Company of Missouri, in the City of St. Louis, State of Missouri, the Bond Registrar, provided, however, that the principal sum hereof shall be payable only upon presentation and surrender of this bond at the principal office of the Paying Agent.

The right is hereby reserved unto the City of Columbia to call in, pay, and redeem any or all of bonds maturing in the year 2015 and thereafter, on December 1, 2014, or on any date thereafter, prior to their maturity, in any order of maturity dates as the City shall select, and by lot within the maturity in multiples of \$5,000 if less than all the bonds of the maturity are called, at par plus accrued interest to date of redemption.

Notice of the call of any bond shall be given by the Bond Registrar by certified or registered United States mail addressed to the Registered Owner and deposited in the United States mail, postage prepaid, not less than thirty (30) days before the redemption date, and such

notice shall be fully sufficient. Interest shall cease on any bond or portion of a bond so called from and after the redemption date, provided funds are then on deposit at the place of its payment. If less than the entire principal amount of any bond be called for redemption as hereinabove provided, upon surrender of the bond to the Bond Registrar herein designated, the Bond Registrar shall issue to the Registered Owner of the bond, without charge, a new bond or bonds in the appropriate remaining principal amount.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made. One bond certificate for each maturity of the Bonds, registered in the name of the Securities Depository Nominee is being issued and will be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository's participants, beneficial ownership of the Bonds in Authorized Denominations being evidenced in the records of such participants. Transfers of ownership shall be effected on the records of the Securities Depository and its participants pursuant to rules and procedures established by the Securities Depository and its participants. The City and the Bond Registrar will recognize the Securities Depository Nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on this Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by participants of the Securities Depository, will be the responsibility of such participants and other nominees of such beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Security Depository Nominee, its participants or persons acting through such participants. While the Securities Depository Nominee is the owner of this Bond, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements between the Bond Registrar or its successors and the Securities Depository.

This bond is one of a duly authorized issue of General Obligation Capital Projects and Refunding Bonds (Public Utility Taxes Alternate Revenue Source) of the City of Columbia, all of like date, tenor and effect, except as to rate of interest, date of maturity, and provision for redemption prior to maturity, of the denomination of Five Thousand Dollars (\$5,000) each or a

whole multiple thereof aggregating the sum of Six Million Dollars (\$6,000,000) issued for the purpose of financing the Capital Projects and refunding the outstanding bonds of an issue of Public Improvement Revenue Bonds, dated May 1, 2001, and an issue of Public Improvement Revenue Bonds, Series II, dated December 1, 2001, issued under authority of the Constitution and laws of the State of Illinois, including the Local Government Debt Reform Act of Illinois, as amended, and pursuant to Ordinances No. 1952 and 2009 of said City, duly adopted on the 7th day of May, 2001 and the 3rd day of December, 2001 respectively, and reference to said Ordinances is hereby made with the same force and effect as if it were set out in full herein.

This bond is and shall be a negotiable instrument in accordance with the laws of the State of Illinois and shall be transferable or exchangeable only by delivery to the above designated Bond Registrar for this bond and the issue of which it is one, of a written instrument of transfer or exchange in form satisfactory to the Bond Registrar executed by the Registered Owner or by his or her attorney thereunto duly authorized, subject to the limitations herein provided and upon surrender of this bond to said Bond Registrar for cancellation. The Bond Registrar shall not be required to transfer or exchange any bond following the close of business on the 15th day next preceding any interest payment date of such bond, nor to transfer or exchange any bond after notice of calling such bond for redemption shall have been mailed, nor during a period of 15 days next preceding the mailing of a notice of redemption of any bond or portion thereof. Upon such transfer or exchange, a new registered bond or bonds of the same issue and the same maturity, of the denomination of Five Thousand Dollars (\$5,000) or a whole multiple thereof and for the same aggregate principal amount as the surrendered bond, will be issued to the transferee or transferees in exchange therefor by the said Bond Registrar. No service charge shall be made for any such transfer or exchange, but the City or the Bond Registrar may require the payment of a sum sufficient to meet any tax or other governmental charge which may be imposed by reason of such transfer or exchange. The City Council of the City and the said Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of the Principal Amount of this bond, premium, if any, interest due hereon, and for all other purposes, and neither the City Council nor the Bond Registrar shall be affected by any notice to the contrary.

This bond and the issue of which it is one are payable primarily from the revenues and receipts derived and to be derived from the utility taxes of said City, imposed pursuant to

Chapter 65 Illinois Compiled Statutes, Section 5/8-11-2, as amended, and, alternately, from ad valorem taxes which may be levied without limit as to rate or amount upon all taxable property within the City of Columbia, Monroe and St. Clair Counties, Illinois.

This bond and the issue of which it is one shall not be regarded as or included in any computation of indebtedness for the purpose of any statutory provision or limitation except that, in the event that taxes, other than utility taxes, shall have been extended pursuant to the general obligation, full faith and credit promise supporting the bonds of this issue, then the amount of the bonds of this issue then outstanding shall be included in the computation of indebtedness of the City of Columbia for purposes of all statutory provisions or limitations until such time as an audit of the utility taxes of the City shall show that the bonds of the issue of which this bond is one have been paid from the utility taxes pledged herein to the payment of said bonds for a complete fiscal year of the City.

Under the aforesaid statutes and the Ordinance above referred to which authorized this bond, all of the revenues and receipts derived and to be derived from the utility taxes of said City shall be set aside as collected and deposited in a separate fund designated the "Capital Development Fund" of said City, and a sufficient amount thereof shall be used only for the payment of the principal of and the interest on bonds or other obligations, in whatever form, of said City which are payable by their terms solely from said revenues and receipts, and for providing an adequate reserve account.

The City of Columbia hereby covenants that it will perform all duties imposed by law and by the Ordinance which authorized this bond; that it will continuously impose, fix, and maintain said utility taxes to the extent it is authorized by law to do so and that it will collect and account for revenues and receipts therefrom sufficient at all times to pay promptly the principal of and the interest on all obligations, in whatever form, payable from the revenues and receipts of said utility taxes as the same shall mature and accrue, and to provide an adequate reserve fund, and that it will keep and perform all covenants and agreements contained in the Ordinance which authorized the issuance of this bond.

When all of the bonds of this issue and the interest due hereon shall have been paid and discharged in full or provisions therefor duly made, the covenants, undertakings, limitations, and restrictions of said Ordinance shall terminate. This bond shall be deemed to have been paid and discharged if there shall have been deposited, pursuant to the terms of said Ordinance at or prior

to maturity or any redemption date, for benefit of the Registered Owner, money or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or a combination thereof, which, together with the interest to be earned on any such obligations, will be sufficient for the payment of the principal of said bond and interest accrued to the date of maturity or redemption, as the case may be.

It is hereby certified, recited, and represented that all acts, conditions, and things required to exist, to happen, and to be performed, precedent to and in the issuance of this bond and of the issue of which it is one, in order to make the same valid and binding obligations of said City, do exist, have happened, and have been performed in regular and due time, form, and manner, as required by law, and that provision has been made for depositing into the Capital Development Fund of the City the entire revenues received from the operation of the Public Utility Taxes to be applied in the manner hereinabove set forth and that provision has been made for the levy and collection of a direct, annual tax upon all taxable property within the said City sufficient to pay the interest on this bond as it comes due and to pay and discharge the principal hereof as it matures should the aforesaid revenues be insufficient for the purpose. For the prompt payment of this bond and the interest hereon and for the performance in apt time and manner of every official act necessary therefor, the full faith and credit of said City of Columbia is hereby irrevocably pledged pursuant to the Local Government Debt Reform Act of the State of Illinois.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security, source of payment, or benefit under the Ordinance of the City of Columbia above mentioned until the certificate of authentication hereon shall have been signed by the aforesaid Bond Registrar.

IN WITNESS WHEREOF, the City of Columbia, Monroe and St. Clair Counties, Illinois, has executed this bond by causing it to be signed with the facsimile signature of its Mayor, attested by the facsimile signature of the City Clerk, under the seal of said City imprinted hereon in facsimile, and this bond to be dated May 1, 2008.

CITY OF COLUMBIA, MONROE AND
ST. CLAIR COUNTIES, ILLINOIS

By: (facsimile signature)
Mayor

Attest:

(facsimile signature) _____

City Clerk

(Facsimile of Seal)

(Printer's Note)

(Not less than the first paragraph and the last two paragraphs of the text of the bond shall be printed on the face of the bonds. If any portion of the text of the bonds shall be printed on the reverse of the bonds, the following statement shall appear set out in contrasting print in the text on the face of the bond: REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF WHICH, FOR ALL PURPOSES, SHALL HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH IN THIS BOND AT THIS PLACE. The portion of the text printed on the reverse of the bonds shall be captioned FURTHER BOND PROVISIONS, CITY OF COLUMBIA, MONROE AND ST. CLAIR COUNTIES, ILLINOIS.)

Date of Authentication:

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the issue of the City of Columbia, Monroe and St. Clair Counties, Illinois, General Obligation Capital Projects and Refunding Bonds (Public Utility Taxes Alternate Revenue Source) authorized by Ordinance of the City as said Ordinance is referred to on the face of this said bond.

BNY TRUST COMPANY OF MISSOURI,
as Bond Registrar

By _____
Authorized Signature

(The following shall appear on the reverse of each of the bonds.)

ASSIGNMENT

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

(Name and Address of Assignee)

the within General Obligation Capital Projects and Refunding Bond (Public Utility Taxes Alternate Revenue Source) and does hereby irrevocably constitute and appoint _____
 _____ to transfer the said bond on
 the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

 Signature Guaranteed

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

INTEREST AMOUNTS

The amount of interest payable on each Five Thousand Dollars (\$5,000) principal amount of bonds of this issue shall be as follows:

<u>Bonds Maturing In</u>	<u>Interest Rate</u>	<u>Interest due December 1, 2008</u>	<u>Interest due on subsequent interest payment dates</u>
2008	2.10%	\$61.25	- 0 -
2009	2.25%	\$65.63	\$56.25
2010	2.40%	\$70.00	\$60.00
2011	2.60%	\$75.83	\$65.00
2012	2.80%	\$81.67	\$70.00
2013	3.00%	\$87.50	\$75.00
2014	3.10%	\$90.42	\$77.50
2015	3.25%	\$94.79	\$81.25
2016	3.40%	\$99.17	\$85.00
2017	3.50%	\$102.08	\$87.50
2018	3.60%	\$105.00	\$90.00
2019	3.75%	\$109.38	\$93.75
2020	3.90%	\$113.75	\$97.50

2021	4.00%	\$116.67	\$100.00
2022	4.05%	\$118.13	\$101.25
2023	4.15%	\$121.04	\$103.75
2024	4.25%	\$123.96	\$106.25
2025	4.35%	\$126.88	\$108.75
2026	4.45%	\$129.79	\$111.25
2027	4.55%	\$132.71	\$113.75

SECTION 6. That the bonds authorized hereby and the interest thereon, shall be payable equally and ratably principally from the receipts and revenues derived from the imposition of utility taxes by said City of Columbia, as authorized by law, which shall be deposited to the “CAPITAL DEVELOPMENT FUND” of the City, and shall not constitute an indebtedness of the City of Columbia within the meaning of any constitutional or statutory limitation, provided, however, that in the event that taxes, other than utility taxes, shall have been extended pursuant to the general obligation, full faith, and credit promise supporting the alternate bonds hereby authorized and issued, then the amount of such alternate bonds of this issue then outstanding shall be included in the computation of indebtedness of the City of Columbia for purposes of all statutory provisions or limitations until such time as an audit of the utility taxes of the City shall show that the alternate bonds have been paid from the utility taxes of the City pledged herein to the payment of said alternate bonds for a complete fiscal year of the City.

SECTION 7. That, from and after the delivery of any of the bonds herein provided for, the utility taxes receipts of the City shall be accumulated and accounted for on a fiscal year basis corresponding with the fiscal year of the City, and, so long as any of the bonds herein authorized to be issued are outstanding and unpaid, the entire revenues derived from the imposition of said utility taxes shall be deposited in a separate fund designated as the “CAPITAL DEVELOPMENT FUND” of the City of Columbia (hereinafter sometimes referred to as the “Fund”), herein created, which Fund shall be kept separate and apart and segregated from all other moneys of the City and shall be used only for, and is pledged to, (1) the payment of the principal of and interest upon all bonds of the City hereby authorized and issued or which hereafter may be authorized and issued which by their terms are payable from the revenues and receipts of the utility taxes and (2) the creation of an adequate reserve fund, provided, further, that the City Council covenants with the Registered Owners of the bonds hereby authorized that it will provide for, collect, and apply the revenues and receipts of the utility taxes to the payment of alternate bonds hereby authorized and the provision of not less than an additional .25 times

debt service requirements on all alternate bonds payable from such revenues; and such Fund shall be sufficient at all times for the above purposes and shall be used only for such purposes and is hereby pledged therefor.

SECTION 8. That sums in the "CAPITAL DEVELOPMENT FUND" shall be set aside for, allocated to, and deposited in the following separate accounts, hereby created in said Fund, by the financial officer of the City of Columbia without further direction of or action by the City Council, or other authority of said City. Such allocations and deposits shall be made as of the first business day of each and every month so long as any of the bonds authorized hereby, or interest pertaining thereto, shall remain outstanding and unpaid.

(a) Into an account designated the "PUBLIC IMPROVEMENT BOND ACCOUNT" there shall be deposited each month a sum at least equal to one-sixth (1/6) of the amount of interest that will come due on all bonds and other obligations then outstanding on the then next interest payment date occurring after the date of said deposit, plus at least one-twelfth (1/12) of the amount of principal that will come due on all bonds and other obligations then outstanding on the then next maturity date occurring after the date of said deposit. Such deposits shall be made as of the first business day of each month as long as any of the bonds authorized by this Ordinance, or other obligations, or the interest appertaining thereto, shall remain outstanding and unpaid; provided, however, that when the amount on deposit in said account shall equal the sum of all principal of such bonds then outstanding, plus all interest on all of said bonds to accrue to the respective maturity dates thereof, then such deposits may be discontinued. Sums in this account shall be used only for the payment of the principal of and the interest on bonds of the issue authorized by this Ordinance as the same shall come due and of meeting the obligations to which said sums have been previously pledged.

(b) Into an account designated the "PUBLIC IMPROVEMENT BOND RESERVE ACCOUNT", there shall be deposited each month the sum of Ten Thousand Dollars (\$10,000.00) until the amount standing in the account shall equal at least the amount which is .25 times the debt service requirements on all alternate bonds payable from such revenues for the then-current calendar year. The Account thereafter shall be maintained at said portion of such debt service and in case said Account should become depleted for any reason, including payments made therefrom for principal and interest of outstanding bonds, then such monthly deposits shall be resumed until said account is restored to such portion of such debt service. Sums in said account shall be used solely and only for the payment of bonds authorized by this Ordinance, or the interest thereon, and then only when and to the extent that other available funds are insufficient for the purpose. Sums in this account shall not be used to pay bonds called before their maturity, unless all bonds authorized hereby and then outstanding shall be thereby retired. So long as the sum on deposit in the PUBLIC IMPROVEMENT

BOND RESERVE ACCOUNT aggregates an amount which is .25 times the debt service requirements on all alternate bonds payable from such revenues for the then-current calendar year, no further deposits shall be required to be made to such PUBLIC IMPROVEMENT BOND RESERVE ACCOUNT and any amount in excess of such portion of such debt service may, on order of the Treasurer of the City, be transferred to the CAPITAL DEVELOPMENT SINKING FUND ACCOUNT.

(c) Any surplus remaining in the Capital Development Fund after making all monthly allocations and deposits into the above accounts required by this Ordinance in paragraphs (a), and (b) above, shall be allocated to an account designated the "CAPITAL DEVELOPMENT SURPLUS FUND ACCOUNT" and shall be used for any lawful purpose at the discretion of the City Council of the City of Columbia, provided, however, that sums in this Account shall be transferred to the PUBLIC IMPROVEMENT BOND ACCOUNT to prevent or cure a default in the payment of principal of or interest on the bonds authorized by this Ordinance to the extent that other sums are not available for the purpose and/or for restoration of the PUBLIC IMPROVEMENT BOND RESERVE ACCOUNT should it be depleted.

Upon the refunding of the outstanding bonds as herein provided, all the moneys remaining in the accounts established and maintained pursuant to Ordinances No. 1952 and 2009 of the City which authorized issuance of the said bonds being refunded shall be transferred as follows:

From any and all funds held pursuant to Ordinances No. 1952 and 2009 for payment of the principal and interest on the bonds being refunded hereby, so much as is there on deposit as may be necessary to adequately fund the paying agency account from which interest on the refunded bonds shall be paid on December 1, 2008, and the balance to the City.

SECTION 9. That if the revenues and receipts derived from the utility taxes should be insufficient at any time to make the payments or deposits required by Section 8 of this Ordinance, the deficiency shall be made good by additional payments to be made out of the first available revenues and receipts from the utility taxes received during any succeeding month or months. Whenever and so long as sums actually on deposit in the Public Improvement Bond Account and in the Public Improvement Bond Reserve Account, together, shall equal the principal amount of all outstanding bonds for the payment of which said Accounts are to be applied plus the amount of all interest due thereon until the respective maturity dates of all such bonds, then no further deposits need be made into said Accounts. In the event taxes shall have

been extended pursuant to the general obligation, full faith, and credit promise supporting the alternate bonds, then the receipts derived from said taxes shall be taken into account in determining the sufficiency of revenues for purposes of this Section 9.

SECTION 10. That, prior to the allocation of the revenues and receipts from the utility taxes to the several accounts provided by Section 8 hereof, such revenues shall be deposited as received with a bank which is a member of the Federal Deposit Insurance Corporation to be designated by the City Council of the City, or invested as herein provided.

SECTION 11. That not less than three (3) days before June 1 and December 1 in each year the City Treasurer shall remit to the paying agent designated for the bonds authorized hereby the sums due as principal or interest on such dates, together with the charges of the paying agent for its services and responsibility according to the fee proposal contained in its letter dated March 11, 2008, and accepted by the City Council.

SECTION 12. That sums held in the Capital Development Fund may be held by the City as a separate deposit in a bank or trust company whose deposits are insured under the provision of the Federal Deposit Insurance Act or, subject to the provisions of law applicable at the time, may be invested in bonds or other obligations of the United States Government, or in obligations unconditionally guaranteed by the United States Government maturing or being redeemable at the option of the City Council not later than five (5) years from the date of their purchase or not later than the time when such sums may be required for use under the terms of this Ordinance, whichever is earlier.

SECTION 13. That, for the purpose of providing for the payment of the principal of and the interest on the General Obligation Capital Projects and Refunding Bonds (Public Utility Taxes Alternate Revenue Source) as they shall, respectively, mature and accrue, there shall be and there is hereby levied a direct, continuing tax upon all taxable property within the City of Columbia, Illinois, sufficient, after due allowance shall have been made for the cost of collection and for delinquencies in the payment of taxes, to produce the sums necessary in each year for the payment of interest on said bonds and the principal thereof, said taxes to be in addition to all other taxes, and said taxes to be sufficient to produce the following amounts in the following years:

<u>Levy for the Year</u>	<u>Payable in the Year</u>	<u>A tax sufficient to produce the sum of</u>	<u>For Principal & Int.</u>
2008	2009	\$705,058.13	thru Dec. 1, 2009
2009	2010	\$412,415.00	thru Dec. 1, 2010
2010	2011	\$417,615.00	thru Dec. 1, 2011
2011	2012	\$422,155.00	thru Dec. 1, 2012
2012	2013	\$430,995.00	thru Dec. 1, 2013
2013	2014	\$438,945.00	thru Dec. 1, 2014
2014	2015	\$446,195.00	thru Dec. 1, 2015
2015	2016	\$447,582.50	thru Dec. 1, 2016
2016	2017	\$453,232.50	thru Dec. 1, 2017
2017	2018	\$453,082.50	thru Dec. 1, 2018
2018	2019	\$457,282.50	thru Dec 1, 2019
2019	2020	\$455,470.00	thru Dec. 1, 2020
2120	2021	\$452,795.00	thru Dec. 1, 2021
2021	2022	\$454,395.00	thru Dec. 1, 2022
2022	2023	\$465,220.00	thru Dec. 1, 2023
2023	2024	\$474,657.50	thru Dec. 1, 2024
2024	2025	\$477,657.50	thru Dec. 1, 2025
2025	2026	\$468,522.50	thru Dec. 1, 2026
2026	2027	\$470,475.00	thru Dec. 1, 2027

Should the proceeds of said taxes at any time be insufficient for the payment of the principal of or the interest on said bonds when the same may become due, such principal and interest shall be paid promptly from current funds on hand in advance of the collection of the taxes herein provided, and when said taxes shall have been collected the said funds shall be reimbursed for the amounts so advanced.

SECTION 14. That prior to the alternate bonds herein authorized being delivered for value, the City Clerk shall promptly certify a copy hereof, with an appropriate memorandum of the date of its passage and publication, which shall be filed with the County Clerks of both Monroe and St. Clair Counties, Illinois, and it shall be the duty of each of said County Clerks, in and for each of the years in which said bonds or the interest thereon are outstanding, to ascertain the rate per centum of taxation required to produce the aggregate amount of taxes hereinabove provided in each of said years, respectively, by and for said City. Said taxes shall be levied and collected in like manner as other taxes levied by and for said City, provided, however, that whenever in any year the revenues and receipts from the utility taxes shall have been determined by the City Council to equal an amount sufficient to meet debt service requirements on the bonds of the City hereby authorized and outstanding, the City Council shall direct abatement of such

taxes and appropriate notice of such abatement shall be filed with said County Clerks so that the intended abatement can be accomplished.

SECTION 15. That all revenues collected on account of taxes herein levied shall be deposited in the separate fund created in Section 8 hereof, and designated as the "CAPITAL DEVELOPMENT FUND" and said revenues are hereby appropriated and set aside for the sole purpose of paying principal of and interest on the alternate bonds authorized hereby as and when the same mature and come due, funding the Public Improvement Bond Reserve Account and Capital Development Sinking Fund.

SECTION 16. That the City of Columbia covenants and agrees with the Registered Owners of the bonds herein authorized to be issued that it will perform all duties with respect to the imposition, collection, management, and disbursement of its utility taxes as provided by law, the establishment of the accounts herein authorized and all other matters and things required by law and by this Ordinance, and that it will do or cause to be done, in apt time and season, each and every official act necessary for the payment of the principal of and the interest on the bonds herein authorized to be issued, as the same shall mature and accrue. Said City further covenants with the Registered Owners of said bonds as follows:

(a) That it will maintain imposition of its utility taxes in accordance with applicable law as necessary to provide for payment of the principal of, premium, if any, and interest on bonds herein authorized, and for that purpose will maintain its corporate existence.

(b) That as long as any of said bonds or interest pertaining thereto remain outstanding and unpaid, the City will fix, maintain, impose and collect its utility taxes as authorized by law sufficient to pay the principal of and the interest on all revenue bonds or other obligations issued by said City chargeable to the revenues and receipts of said utility taxes, to provide the sums required to maintain the Reserve Account as provided in Section 8 hereof, and to provide ample funds to meet all requirements of this Ordinance.

(c) That said City shall set up and maintain a proper system of accounts and records separate from all other accounts and records, showing the amount of revenue and receipts received from its utility taxes, the application of such revenues and receipts and all financial transactions in connection therewith. Such accounts, at least once a year and within 180 days following the end of the fiscal year of the City, shall be audited properly by an independent certified public accountant employed for the purpose. A report of such audit shall be furnished upon request to any Registered Owner of a bond authorized by this Ordinance.

The annual audit of the utility taxes account may be performed in conjunction with the general fiscal year financial audit of the City.

(d) That any Registered Owner or Registered Owners of, or any purchaser of, not less than twenty-five per centum (25%) in principal amount of said bonds authorized hereby and then outstanding, shall have the right at all reasonable times to inspect all records and data relating to the Capital Development Fund and shall be furnished all data and information relating to said Fund which reasonably may be requested.

(e) That the City Council shall require that accounts be rendered to it monthly as of the first of each month showing the revenues, and receipts, the disbursements and other transactions in connection with its utility taxes and the allocation and disbursements of such revenues and receipts.

(f) That the City and its proper officials and employees diligently shall collect and account for the revenues and receipts derived from imposition of the utility taxes and diligently shall pursue all means provided by law for collection of said utility taxes.

(g) That, subject to the provisions of the law applicable at the time, the City shall diligently endeavor to keep all idle sums on deposit to the credit of the Capital Development Fund heretofore described in Section 7 hereof and in the Accounts herein described in Section 8 hereof invested in The Illinois Funds, Money Market Fund or The Illinois Funds, Prime Fund, administered by the Illinois State Treasurer subject to the provisions of law or in obligations of the United States Government or in obligations unconditionally guaranteed by the United States Government maturing or being redeemable at the option of the registered owner not later than (5) years from the date of their purchase or not later than the time when such sums may be required for use as determined by the City Council, whichever is earlier.

SECTION 17. That from and after the delivery of the bonds authorized hereby no further bonds shall be issued or obligations incurred by said City which are in whole or in part payable from or chargeable to revenues and receipts derived or to be derived from imposition of utility taxes by the City except upon compliance with the conditions herein below set out in paragraphs I, II, and III.

I.

That the revenues and receipts derived from the imposition of utility taxes by the City for the then next preceding fiscal year, as shown by an audit prepared by an independent certified public accountant or firm of independent certified public accountants, shall be equal to the sum

of 120% of the remaining maximum annual debt service amount to become due in any fiscal year as principal of and interest on all bonds or other obligations then outstanding and on bonds or other obligations then to be issued to become due in any fiscal year, in which case additional bonds or other obligations may be issued on a parity of lien upon the revenues and receipts derived from the utility taxes of the City with the bonds authorized hereby and with equal benefits in the fund and accounts established hereby.

OR

II.

Additional bonds ranking on a parity of lien upon the revenues and receipts derived or to be derived from imposition of utility taxes by the City with the bonds authorized under this Ordinance may be issued if a certified public accountant employed for that purpose shall have certified that estimates of the additional revenues and receipts derived or to be derived from imposition of utility taxes by the City to be received by reason of imposition of additional utility taxes by the City and projected for one complete fiscal year succeeding the effective date of imposition of such additional utility taxes, when added to the net revenues and receipts for the last completed fiscal year, will meet the test set out in I, above.

AND

III.

The conditions prescribed by The Local Government Debt Reform Act permitting such additional bonds to be issued as “alternate bonds” within the meaning of said Act can be met.

Also, additional bonds may be issued if such additional bonds are in all respects junior and subordinate to the bonds authorized hereby and subject and subordinate to the provisions of Section 8 hereof requiring certain payments to be made into the Accounts therein established; provided, however, that interest on such junior and subordinate bonds may be paid prior to the making of the deposits required by paragraph (c) of Section 8.

SECTION 18. That the provisions of this Ordinance shall constitute a contract between the City of Columbia and the Registered Owners of the bonds herein authorized to be issued, and, after the issuance of the bonds, no changes, additions or alterations of any kind shall be made hereto in any manner, except in accordance with the provisions of this Ordinance, or until such time as all of said bonds issued hereunder and the interest thereon shall be paid in full, or

unless and until adequate provision shall have been made for the payment of all such bonds and interest thereon in full.

SECTION 19. That all bonds issued hereunder shall be payable equally and ratably, without regard to the date when said bonds actually shall be delivered, and shall enjoy parity of lien, one with the other, upon the revenues and receipts from the utility taxes.

SECTION 20. That any Registered Owner of one or more bonds issued hereunder, either at law or in equity, by suit, mandamus, or other proceeding, may enforce and compel performance of all duties required and covenants made by this Ordinance, including the imposition of utility taxes and the application of revenues and receipts therefrom, and, in addition, all covenants relating to alternate bonds and the conditions and obligations thereof imposed by Section 15 of the Local Government Debt Reform Act are enforceable by any Registered Owner of the bonds hereby authorized, any taxpayer of the City of Columbia and the People of the State of Illinois acting through the Attorney General of the State of Illinois or any designee, and in the event that any such action results in an order finding that the City of Columbia has not properly imposed utility taxes to the extent it is empowered to do so, as required by the Act, the plaintiff in any such action shall be awarded reasonable attorney's fees but only to the extent provided in said Act at the time any such order may be entered.

SECTION 21. That, when said bonds shall have been prepared and executed, they shall be lodged with the City Treasurer, who shall cause them to be delivered to BNY Trust Company of Missouri, in the City of St. Louis, State of Missouri, which is designated as the Bond Registrar, for the purpose of registering, transferring, and authenticating the bonds of the issue on behalf of the City and it shall be the responsibility of said Bond Registrar to maintain the registration records for the bonds of this issue, to transfer ownership of any of the bonds of the issue on such registration records upon receipt of proper authorization from the Registered Owner of such bond, to initially authenticate the bonds of the issue and to authenticate for issuance and again register bonds of this issue as ownership thereof subsequently may be transferred in the manner as stated. The said Bond Registrar, upon receipt of the bonds, shall authenticate the bonds of the issue by causing to be affixed to each such bond the manual signature of its authorized officer or employee, and, acting as Bond Registrar, shall thereupon register each such bond in the name of the Registered Owner for whose account such bond is purchased and then shall deliver each bond to the purchaser thereof upon confirmation to the

Bond Registrar of the payment of the purchase price in accordance with the contract for the sale of said bonds. The said Bond Registrar shall be paid for its services as performed according to the fee proposal contained in its letter dated March 11, 2008, and accepted by the City Council.

SECTION 22. That accrued interest paid at delivery by the purchaser of the bonds hereby authorized shall be deposited by the City Treasurer in the Public Improvement Bond Account created in Section 8 hereof and the balance of the proceeds shall be deposited by the City Treasurer into an account with BNY Trust Company of Missouri, St. Louis, Missouri, designated the Public Improvement Bonds I and II Redemption Account for the purpose of providing the funds for redemption of the aforesaid outstanding Public Improvement Revenue Bonds dated May 1, 2001, and Public Improvement Revenue Bonds, Series II, dated December 1, 2001, which the City of Columbia shall call for redemption on December 1, 2008, at and prior to their stated maturities, and for payment of costs and expenses in connection with the issuance of the bonds hereby authorized and issued. Any sums remaining in the said Redemption Account after redemption of the said outstanding bonds as contemplated by this Ordinance shall be transferred to the Public Improvement Bond Account hereinabove created in Section 8 hereof.

SECTION 23. That when all of the bonds hereby authorized shall have been paid and discharged, then the requirements contained in this Ordinance and covenants herein made and all other rights granted to the Registered Owners of the bonds hereby authorized shall terminate. Bonds shall be deemed to have been paid and discharged within the meaning of this Ordinance if there shall have been deposited with the Paying Agent, or other bank having full trust powers, at or prior to the maturity or redemption date of said bonds in trust for and irrevocably appropriated thereto, money, or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or a combination thereof, which, together with the interest to be earned on any such obligations, will be sufficient for the payment of the principal of said bonds and interest accrued to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments; provided, however, that if any such bond shall be redeemed prior to the maturity thereof, (i) the City shall have elected to redeem such bonds, and (ii) either notice of such redemption shall have been given, or the City shall have given irrevocable instructions to the Paying Agent to redeem such bonds. Any moneys or obligations which at any time shall be deposited with the Paying Agent or other bank by or on behalf of the City, for the purpose of

paying or discharging any of the bonds, shall be and are hereby assigned, transferred, and set over to the Paying Agent or other bank in trust for the respective Registered Owners of the bonds, and such moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. All moneys deposited with the Paying Agent or other bank shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Ordinance.

SECTION 24. That the City Council of the City of Columbia in view of the Internal Revenue Code of 1986, as amended, hereby covenants specially with the Registered Owners of the bonds authorized hereby that, within the lawful powers of said City Council and said City, said City Council, on behalf of the City, will not do and will not refrain from doing anything in the course of issuing said bonds or in the use or expenditure of the proceeds thereof which would result in the interest income derived or to be derived from said bonds becoming taxable for Federal income tax purposes. The City Council also covenants that it will comply with all of the requirements of Section 148 of the said Code to whatever extent is or shall be necessary to assure that the bonds shall not be treated as arbitrage bonds under the provisions of said Code and the regulations and temporary regulations promulgated thereunder and further agrees that it will restrict or limit the yield on investment of moneys held by or on behalf of the City Council pursuant to this Ordinance as it deems necessary and to that end agrees to establish a fund and rebate amounts, if any, required to be rebated to the United States of America in compliance with the aforesaid Section 148 of the Code, as amended, and regulations and temporary regulations thereunder.

SECTION 25. That the City Council hereby finds and declares:

- (a) The bonds issued hereunder are not “private activity bonds”;
- (b) The bonds issued hereunder are designated by this City Council acting for and on behalf of the aforesaid City, as “qualified tax-exempt obligations”;
- (c) This City Council anticipates that the amount of qualified tax-exempt obligations which have been or will be issued by the aforesaid City during the calendar year 2008 will not exceed in the aggregate Ten Million Dollars (\$10,000,000);
- (d) No other obligations issued by the aforesaid City have been designated during the year 2008 by the aforesaid City Council of said City as “qualified tax-exempt obligations”; and

(e) No subordinate entities to the aforesaid City have issued any bonds during the calendar year 2008, and no such entities will issue any bonds during the calendar year 2008. The foregoing findings and declarations have been made herein pursuant to the requirements of the Internal Revenue Code of 1986, as amended.

SECTION 26. That, for the benefit of the Registered Owners (including beneficial owners) of the City's bonds issued hereunder, the City Council of the City of Columbia, Monroe and St. Clair Counties, Illinois, agrees hereby to undertake, on a continuing basis, to provide secondary market disclosure of financial information and operating data such as has been presented in the Preliminary and Final Official Statements prepared by the City in connection with the bonds herein authorized and is available publicly and also agrees to disclose the following events, if material: 1) principal and interest payment delinquencies; 2) non-payment related defaults; 3) unscheduled draws on debt service funds or reserves reflecting financial difficulties; 4) unscheduled draws on credit enhancements reflecting financial difficulties; 5) substitution of credit or liquidity providers, or their failure to perform; 6) adverse tax opinions or events adversely affecting the tax-exempt status of the bonds; 7) modifications to rights of security holders; 8) calls of the bonds; 9) defeasances of the bonds; 10) release, substitution, or sale of property securing repayment of the bonds; and 11) any rating changes. The aforementioned information and data, including a statement as to the occurrence or absence of any of the foregoing material events, will be provided at least annually, prior to each December 1, to such state information depository, if any, as may be designated by the State of Illinois, to each nationally-recognized municipal securities information repository, and, upon request, to any interested person. Should the City determine that knowledge of the occurrence of any of the aforementioned events would be material under applicable federal securities laws, the City shall file promptly a notice of such an occurrence with each nationally-recognized municipal securities information repository and with such state information depository, if any, as may be designated by the State of Illinois. Notice of the failure of the City to provide the aforementioned financial information and operating data also will be given to such state information depository and nationally-recognized repositories, which notice shall specify a date by which such information will be provided. However, to the extent that such disclosures by the City now or in the future may be excepted from applicability by disclosure rules now invoked under Securities and Exchange Commission Rule 15c2-12, by undertaking the foregoing

disclosures of information, the City does not waive the option of accepting such exception and discontinuing such disclosures as are undertaken herein based upon such exception.

SECTION 27. The Mayor, the Treasurer, the City Clerk and other appropriate City officials are hereby authorized and directed to take such further actions and to execute and deliver such documents, including but not limited to a bond purchase agreement, a final Official Statement, a continuing disclosure agreement, a tax certificate and all other documents as, in this judgment, are necessary or appropriate to the issuance and sale of the bonds issued hereunder, with the signature of the City officials executing the same to be conclusive of approval of such other documents by the City. The final Official Statement is hereby deemed final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission

SECTION 28. That, if any section, paragraph, clause, or provision of this Ordinance shall be held invalid by a court of competent jurisdiction, the invalidity of such section, paragraph, clause, or provision shall not affect any other provisions of this Ordinance.

SECTION 29. That all ordinances or resolutions (or parts of ordinances or resolutions) in conflict herewith to the extent of such conflict, are hereby changed and amended to read in compliance with the requirements of this Ordinance and, to the extent they cannot be so amended, are, to the extent of each conflict, hereby repealed.

SECTION 30. That, within thirty (30) days after its passage, this Ordinance shall be published in pamphlet form all as provided by the Illinois Municipal Code, Chapter 65 ILCS, Section 5/1-2-4, and shall go into effect ten (10) days after it is so published. Six (6) copies of such publication shall be made available at the office of the City Clerk.

Alderman Henja moved the adoption of the above and foregoing Ordinance; the motion was seconded by Alderman Row and, the question being put to a roll call vote, the result was as follows:

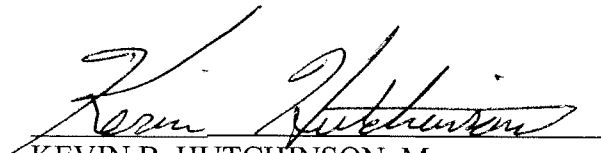
YEAS: Aldermen Ebersohl, Agne, Niemietz, Unnerstall, Row, Hejna, Oberkfell, Stumpf and Mayor Hutchinson.

NAYS: None.

ABSTAIN: None.

Passed by this City Council this 21st day of April, 2008, and approved by the Mayor this
21st day of April, 2008.


WESLEY J. HOEFFKEN, City Clerk


KEVIN B. HUTCHINSON, Mayor

(SEAL)

STATE OF ILLINOIS)
) ss.
COUNTY OF MONROE)

Certificate of Authenticity

I, Wesley J. Hoeffken, hereby certify that I am the duly elected and acting City Clerk of the City of Columbia, Monroe and St. Clair Counties, Illinois, and as such, I am the keeper of the books, records, files and corporate seal of said City.

I do further certify that the foregoing pages to which this Certificate is attached is a full, true, perfect and complete copy of Ordinance No. 2649 entitled:

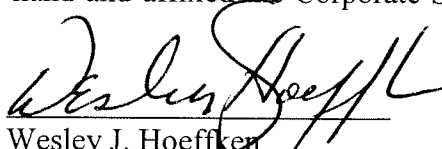
“AN ORDINANCE SUPPLEMENTING ORDINANCE NO. 2633 OF THE CITY OF COLUMBIA ADOPTED ON FEBRUARY 18, 2008 BY FURTHER PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION CAPITAL PROJECTS AND REFUNDING BONDS (PUBLIC UTILITY TAXES ALTERNATE REVENUE SOURCE) OF THE CITY OF COLUMBIA, MONROE AND ST. CLAIR COUNTIES, ILLINOIS, IN THE PRINCIPAL AMOUNT OF SIX MILLION DOLLARS (\$6,000,000) FOR THE PURPOSE OF FINANCING CERTAIN CAPITAL PROJECTS OF THE CITY AND REFUNDING CERTAIN PUBLIC IMPROVEMENT REVENUE BONDS DATED MAY 1, 2001 AND DECEMBER 1, 2001, OF SAID CITY, SAID BONDS TO BE PAYABLE PRIMARILY FROM THE REVENUES OF THE PUBLIC UTILITY TAXES OF SAID CITY BUT ALTERNATIVELY FROM AD VALOREM PROPERTY TAXES; PRESCRIBING THE FORM AND INCIDENTS OF SAID BONDS; DESIGNATING SAID BONDS AS ALTERNATE BONDS UNDER THE LOCAL GOVERNMENT DEBT REFORM ACT OF THE STATE OF ILLINOIS; PROVIDING FOR THE LEVY OF A TAX FOR THE PAYMENT OF SAID BONDS, BOTH AS TO PRINCIPAL AND INTEREST; AND PROVIDED FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF CERTAIN PUBLIC UTILITY TAX REVENUES OF THE CITY FOR THE PURPOSE OF PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SAID BONDS.”

adopted at a regular meeting of the City Council held on the 21st day of April, 2008, and of the minutes of said regular meeting insofar as the same relate to the adoption of said Ordinance No. 2649.

I do further certify that, prior to the making of this Certificate, the said minutes and Ordinance have been spread at length upon the permanent records of said City Council where the same now appear and remain.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of said City, this 30th day of April, 2008.

(SEAL)


Wesley J. Hoeffken
City Clerk, City of Columbia

STATE OF ILLINOIS)
) SS
COUNTY OF MONROE)

CERTIFICATE OF PUBLICATION

I, Wesley J. Hoeffken, certify that I am the duly elected and acting Municipal Clerk of the City of Columbia, Illinois.

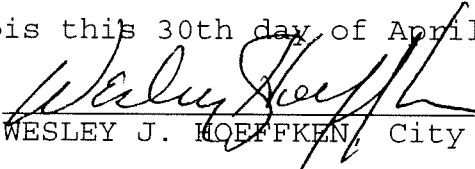
I further certify that on the 21st day of April, 2008, the Corporate Authorities of the City of Columbia, Illinois passed and approved Ordinance No. 2649, entitled:

"AN ORDINANCE SUPPLEMENTING ORDINANCE NO. 2633 OF THE CITY OF COLUMBIA ADOPTED ON FEBRUARY 18, 2008 BY FURTHER PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION CAPITAL PROJECTS AND REFUNDING BONDS (PUBLIC UTILITY TAXES ALTERNATE REVENUE SOURCE) OF THE CITY OF COLUMBIA, MONROE AND ST. CLAIR COUNTIES, ILLINOIS, IN THE PRINCIPAL AMOUNT OF SIX MILLION DOLLARS (\$6,000,000) FOR THE PURPOSE OF FINANCING CERTAIN CAPITAL PROJECTS OF THE CITY AND REFUNDING CERTAIN PUBLIC IMPROVEMENT BONDS, PUBLIC UTILITY TAXES ALTERNATE REVENUE SOURCE, DATED MAY 1, 2001 AND DECEMBER 1, 2001, OF SAID CITY, SAID BONDS TO BE PAYABLE PRIMARILY FROM THE REVENUES OF THE PUBLIC UTILITY TAXES OF SAID CITY BUT ALTERNATIVELY FROM AD VALOREM PROPERTY TAXES; PRESCRIBING THE FORM AND INCIDENTS OF SAID BONDS; DESIGNATING SAID BONDS AS ALTERNATE BONDS UNDER THE LOCAL GOVERNMENT DEBT REFORM ACT OF THE STATE OF ILLINOIS; PROVIDING FOR THE LEVY OF A TAX FOR THE PAYMENT OF SAID BONDS, BOTH AS TO PRINCIPAL AND INTEREST; AND PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF CERTAIN PUBLIC UTILITY TAX REVENUES OF THE CITY FOR THE PURPOSE OF PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON SAID BONDS."

which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 2649, including the ordinance and a cover sheet thereof, was prepared and a copy of such ordinance will be posted in the Columbia City Hall, commencing on the 30th day of April, 2008 and continuing for at least ten (10) days thereafter. Copies of such ordinance were also available for public inspection upon request at the office of the City Clerk.

DATED at Columbia, Illinois this 30th day of April, 2008.


WESLEY J. HOEFFKEN, City Clerk

(SEAL)