RESOLUTION NO. 2017-336

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS (ST. CLARA'S PROJECT), SERIES 2017, AUTHORIZING EXECUTION OF A LOAN AGREEMENT, AN ASSIGNMENT AND AGREEMENT, AND A BOND PURCHASE AGREEMENT, ALL RELATIVE TO SAID BONDS, AND AUTHORIZING OTHER ACTION TO BE TAKEN WITH RESPECT TO THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS

WHEREAS, the City of Lincoln, Logan County, Illinois (the "Issuer") is a political subdivision, body politic and municipality, duly organized and validly existing under the laws of the State of Illinois; and

WHEREAS, the Issuer, with authority under The Industrial Project Revenue Bond Act (65 ILCS 5/11-74-1 *et seq.*), as supplemented and amended (the "Act") and the Illinois Municipal Code (65 ILCS 5/1-1-1 *et seq.*), is authorized and empowered among other things (a) to make loans to finance and refinance the acquisition, purchase, construction, reconstruction, improvement, betterment or extension of qualifying "industrial projects" under the Act, (b) to issue and sell its industrial development revenue bonds to provide moneys for such a loan and (c) to enact this resolution and execute and deliver the related agreements, documents and instruments hereinafter identified; and

WHEREAS, it has been proposed that the Issuer issue its Economic Development Revenue Bonds (St. Clara's Project), Series 2017, in an aggregate principal amount of $4,680,000 (the "Bonds") and loan the proceeds of the Bonds to ST. CLARA'S SENIOR SERVICES, an Illinois not-for-profit corporation and a 501(c)(3) organization (the "Borrower") to assist the Borrower in (i) financing and refinancing the cost of acquisition, purchase, construction, reconstruction, improvement, betterment or extension related to a new 106 bed skilled nursing facility located at 1450 Castle Manor Drive, Lincoln, Illinois (adjacent to Castle Manor), said location being within the territorial boundaries of the Issuer, and said facility to be owned by the Borrower and operated by St. Clara's Manor, an Illinois not-for profit corporation and 501(c)(3) organization (the "Guarantor"), and which when completed will be used by the Borrower and the Guarantor in furtherance of their charitable purposes and (ii) paying certain expenses incurred in connection with the issuance of the Bonds (collectively, the "Project"); and

WHEREAS, drafts of the following documents relating to the Project have been submitted to the Mayor and City Council and are now, or shall be placed, on file in the office of the City Clerk:

(a) Loan Agreement, dated as of February 1, 2017 (the "Loan Agreement"), proposed to be made and entered into by and between the Issuer and the Borrower;

(b) Assignment and Agreement, dated as of February 1, 2017 (the "Assignment"), proposed to be made and entered into between the Issuer and Heartland Bank & Trust Company, as Assignee;

(c) Tax Compliance Agreement, dated as of February 1, 2017 (the "Tax Compliance Agreement"), proposed to be made and entered into by and between the Borrower and the Issuer;

(d) Bond Purchase Agreement, dated February 8, 2017 (the "Bond Purchase Agreement"), proposed to be made and entered into among the Issuer, the Borrower and Heartland Bank & Trust Company (the "Purchaser"); and

WHEREAS, the Project and operation of the facilities have and will provide for the economic development of the Issuer, and provide for increased employment, increased revenue and an increased tax base for the Issuer and promote the health, safety and welfare of the Issuer and will create and preserve jobs and employment opportunities and promote the health and economic welfare in the Issuer and the State of Illinois and that the Issuer, through the issuance under this resolution of the Bonds will be acting in a manner consistent with and in furtherance of the provisions of the Act; and

WHEREAS, the Issuer proposes to sell the Bonds hereinafter authorized upon a negotiated basis to the Purchaser; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LINCOLN, LOGAN COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. Definitions. Terms defined in the Loan Agreement and used herein shall have the meanings set forth in the Loan Agreement unless the context or use indicates another or different meaning. The words "hereof," "herein," "hereunder" and other words of similar import refer to this Bond Resolution as a whole.

Section 2. Authorization of the Project. That in order to promote the general welfare of the Issuer and its inhabitants by providing for the economic development of the Issuer and providing increased employment, increased revenue and an increased tax base for the Issuer, the Project shall be and is hereby authorized to be financed as described herein. The Project will create and preserve jobs and employment opportunities and promote the health and economic welfare in the Issuer and the State of Illinois, and in issuing the Bonds the Issuer will be acting in a manner consistent with and in furtherance of the provisions of the Act. It is hereby found and declared that the facilities financed with the Bonds constitute "industrial projects" under the Act and the financing for the Project, and the use thereof by the Borrower as hereinafter provided, is necessary to accomplish the public purposes described in the preamble hereto and in the Act.

Section 3. Authorization and Payment of Bonds. That for the purpose of financing the cost of the Project, there shall be and there is hereby authorized to be issued the Bonds. The

Bonds shall be dated as of the date of issuance thereof, and be payable to the order of the Purchaser in the amount and on the dates set forth in the Bond form, shall bear interest on the unpaid principal installments at the rate set forth in the Bond form, and shall contain such other terms as are contained in the Bond form.

In the event of prepayment, the Bonds may be redeemed by the Bond Registrar as directed by the Assignee at a prepayment price as set forth in the Bond form upon written notice to the Registered Owners of the Bonds given by the Borrower on behalf of the Issuer, at least five (5) business days prior to the date which the Borrower shall have designated as the prepayment date. In the event the Bonds are redeemed in part, the Registered Owner of the Bonds shall deliver the Bonds to the Paying Agent for an endorsement which duly notes the redemption in part. Any failure to have duly noted or endorsed such prepayment shall not render such prepayment ineffective. In addition, the Bonds are subject to redemption as set forth in the Loan Agreement.

All principal installments of the Bonds or portion thereof designated for prepayment will cease to bear interest on the specified prepayment date, provided funds for their prepayment are on deposit at the place of payment at that time.

The principal installments of (except the final installment which will be paid upon presentment at the principal office of the Paying Agent) and interest on the Bonds shall be payable by check or draft of the Paying Agent mailed to the Registered Owner of the Bonds at the address as shown in the Bond Register.

The Bonds shall be signed by the Mayor and attested by the City Clerk of the Issuer and the corporate seal of the Issuer shall be affixed thereto.

The Bonds, together with interest thereon, shall be limited obligations of the Issuer secured by, among other things, the Assignment and payable solely from the receipts derived from and as described in the Loan Agreement (except to the extent paid out of moneys attributable to the Bond proceeds or the income from the temporary investment thereof) and shall be a valid claim of the Registered Owners hereof only against moneys required to be applied to the payment of the Bonds and other moneys held by the Assignee and Paying Agent and the receipts derived from the Loan Agreement, which receipts shall be used for no other purpose than to pay the principal installments of, and interest on the Bonds, except as may be otherwise expressly authorized in this Bond Resolution. The Bonds and the obligation to pay interest thereon do not now and shall never constitute an indebtedness or a loan of credit of the Issuer, the State of Illinois or any political subdivision thereof, or a charge against their general taxing powers, within the meaning of any constitutional or statutory provisions of the State of Illinois, but shall be secured by the Assignment, and payable solely from the receipts from the Loan Agreement. Without limiting the foregoing, the Issuer makes no representation that interest on the Bonds is or will continue to be tax-exempt under the Code, and expressly disclaims any liability for absence or loss of any such tax-exempt status for any reason whatsoever.

Section 4. Bond Form. That the Bonds shall be in substantially the form as shown on attached Exhibit A, with appropriate insertions.

Section 5. Creation of the 2017 Project Fund and 2017 Bond Fund; Custody and Application of Proceeds of Bonds.

(a) 2017 Project Fund. There is hereby created and established with the Assignee a special fund in the name of the Issuer to be designated "City of Lincoln Economic Development Revenue Bonds 2017 Project Fund (St. Clara's Project)" (the "2017 Project Fund") and identified with the name of the Borrower. The proceeds received by the Issuer upon the sale of the Bonds shall be deposited in the 2017 Project Fund which shall be held in a separate account by the Assignee. Moneys in the 2017 Project Fund shall be expended in accordance with the provisions of the Loan Agreement, and particularly Article IV thereof.

The Assignee shall keep and maintain adequate records pertaining to the 2017 Project Fund and all disbursements therefrom, and after the Project has been completed and a certificate of payment of all costs filed as provided in this Section, the Assignee upon request shall deliver copies of such records to the Issuer and the Borrower.

Upon completion of the Project and payment of all costs and expenses incident thereto, any moneys thereafter remaining in the 2017 Project Fund shall be applied in accordance with Sections 4.3 and 9.3 of the Loan Agreement.

(b) 2017 Bond Fund. There is hereby created and established with the Assignee a special fund in the name of the Issuer to be designated "City of Lincoln Economic Development Revenue Bonds 2017 Bond Fund (St. Clara's Project)" (the "2017 Bond Fund") and identified with the name of the Borrower. The payments of the Borrower received by the Issuer or the Assignee shall be deposited in the 2017 Bond Fund which shall be held in a separate account by the Assignee. Moneys in the 2017 Bond Fund shall be held for application to payment of the Bonds and shall be timely paid over to the Paying Agent for application in accordance with the provisions of this Bond Resolution.

The Assignee shall keep and maintain adequate records pertaining to the 2017 Bond Fund and all disbursements therefrom, and after all the Bonds have been paid and all costs filed as provided in this Section, the Assignee upon request shall deliver copies of such records to the Issuer and the Borrower.

The payment of all the Bonds and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Issuer and the Assignee of a certificate of the Authorized Borrower Representative (as set forth in Section 10.1 of the Loan Agreement).

Section 6. Payment of Amounts Under the Loan Agreement. It is the declared intention of the Issuer to authorize the disbursement of the proceeds of the Bonds in order to finance the acquisition, purchase, construction, reconstruction, improvement, betterment or extension of the Project pursuant to the Loan Agreement in substantially the form which has been presented to and is hereby approved by the Mayor and City Council of the Issuer.

The Mayor is hereby authorized to execute and acknowledge said Loan Agreement for and on behalf of the Issuer, and the City Clerk is hereby authorized to attest same and to affix thereto the corporate seal of the Issuer.

The Loan Agreement and the Notes and the receipts therefrom, including all moneys received under their terms and conditions, are intended to be sufficient to pay the principal installments of and interest on the Bonds hereby authorized and are hereby pledged and ordered paid to the Registered Owners of the Bonds for payment of the Bonds. The Loan Agreement provides that the Borrower shall remit the required payments thereunder directly to the Assignee for deposit in the 2017 Bond Fund for payment of the Bonds and such provision for payment is hereby expressly approved.

Section 7. Receipts. Notwithstanding any provision of this Bond Resolution or the Loan Agreement to the contrary, the Bonds and all payments required of the Issuer hereunder are not general obligations of the Issuer but are special and limited obligations secured by the Assignment and are payable by the Issuer solely and only out of the receipts derived from the Loan Agreement and the Notes as provided herein and therein.

There shall be deposited in the 2017 Bond Fund and applied to the payment of the Bonds, as and when received, (a) a sum equal to the accrued interest paid by the purchaser of the Bonds, if any; (b) all prepayments specified in the Loan Agreement; and (c) all other moneys required to be deposited under and pursuant to any of the provisions of the Loan Agreement and the Notes. The Assignee is authorized and directed to transfer amounts available therefor to the Paying Agent for the payment when due of the principal of and interest on the Bonds.

The Issuer covenants and agrees that should there be a default under the Loan Agreement, the Issuer shall fully cooperate with the Assignee and with the Registered Owners of the Bonds to enforce the obligations of the Borrower under the Loan Agreement and the Notes to the end of fully protecting the rights and security of such Registered Owners. Nothing herein shall be construed as requiring the Issuer to use any funds or receipts from any source other than funds and receipts derived from or as described in the Loan Agreement and the Notes, or to undertake to perform the obligations of the Borrower under the Loan Agreement and the Notes, including without limitation the obligation to complete the Project.

Any amounts held by the Assignee, after payment in full of the principal installments of and interest on the Bonds (or provision for payment thereof as provided in this Bond Resolution) and the charges and expenses of the Bond Registrar and Paying Agent, shall be paid to the Borrower upon the expiration or sooner termination of the term of the Loan Agreement.

Section 8. Assignment. As security for the due and punctual payment of the principal installments of and interest on the Bonds hereby authorized, the Issuer hereby assigns and pledges to the Assignee, the Loan Agreement and the Notes, including all receipts derived by the

Issuer pursuant to the Loan Agreement and the Notes (except any payment made pursuant to Sections 2.3, 3.4, 8.2, 8.5, 8.6 and 8.7 of the Loan Agreement relating to reimbursement or indemnification of the Issuer by the Borrower) and all rights and remedies of the Issuer under the Loan Agreement and the Notes to enforce payment thereof, including evidence of such assignment and of the agreement of the Assignee to accept its responsibilities with respect to the moneys to be applied to the payment of the Bonds, the Mayor is hereby authorized to execute for and on behalf of the Issuer, and the Mayor and City Clerk are authorized and directed to cause the Assignment to be executed by the Assignee, with the Assignment to be in substantially the form which has been presented to and is hereby approved by the Mayor and City Council of the Issuer.

Section 9. Investments: Arbitrage. Any moneys held as part of the 2017 Project Fund created pursuant to Section 5 hereof or held by the Assignee for application to payment of the Bonds, may be invested or reinvested on the direction of the Borrower, in accordance with the provisions of the Loan Agreement and this Bond Resolution. Any such investment shall be held by or under control of the Assignee or Bond Registrar and shall be deemed at all times a part of the account from which such investment was made and the interest accruing thereon and any profit realized from such investments shall be credited to such account, and any loss resulting from such investments shall be charged to such account, which loss shall be an obligation of the Borrower as provided in the Loan Agreement.

As and when any amount invested pursuant to this Section may be needed for disbursement, the Borrower may direct the Assignee to cause a sufficient amount of the investments to be sold and reduced to cash to the credit of such accounts regardless of the loss on such liquidation which loss shall be the obligation of the Borrower to restore to the affected fund as described in the Loan Agreement.

With respect to Section 148 of the Code, the Borrower has made certain certifications and representations to the Issuer in Sections 2.2 and 2.3 of the Loan Agreement, which certifications and representations by this reference are incorporated herein and made a part hereof. The Issuer agrees to comply with all provisions of the Code which, if not complied with by the Issuer, would cause the Bonds not to be tax-exempt. The City Council of the Issuer, acting in reliance upon such certifications and representations, in furtherance of the foregoing provisions, but without limiting their generality, agrees that it will not take or authorize the taking of any action which will affect the tax-exempt status of the Bonds under the Code or will cause the Bonds to be classified as an "arbitrage bond" within Section 148 of the Code and regulations or rulings lawfully promulgated thereunder.

The Issuer recognizes that the provisions of Section 148 of the Code require a rebate to the United States government in certain circumstances, and pursuant to the Tax Compliance Agreement creates and orders established with the Assignee, a trust fund in the name of the Issuer to be designated "City of Lincoln Economic Development Revenue Bonds 2017 Rebate Fund (St. Clara's Project)" (the "2017 Rebate Fund"), which shall be held, invested, expended and accounted for at the direction of the Borrower and at the Borrower's expense in accordance with the Assignment, the Loan Agreement and the Tax Compliance Agreement. Such 2017

Rebate Fund shall not be considered moneys held under the Assignment and shall not constitute part of the Project held for the benefit of the Registered Owners, the Issuer, or the Borrower, but shall be held on behalf of the United States government as contemplated by the provisions of the Tax Compliance Agreement and subject to direction by the Borrower as provided in the Tax Compliance Agreement.

Moneys in the 2017 Rebate Fund shall be held in trust by the Assignee and, except for those excess amounts which may be transferred to the Assignee as funds to be held and applied under the Assignment, shall be held for future payment at the Borrower's direction to the United States government as contemplated under the provisions of the Tax Compliance Agreement.

Notwithstanding the foregoing, exemptions to rebate requirements applicable to the Bonds appear at Treasury Regulation 1.148-7. Based upon the certifications of the Borrower, no rebate is required or planned by the Issuer. In support of this conclusion, the Mayor and the City Clerk may make such further certifications and covenants as they deem necessary in the Tax Compliance Agreement.

Section 10. General Covenants. The Issuer covenants that it will promptly cause to be paid solely and only from the source mentioned in the Bonds, the principal installments of and interest on the Bonds hereby authorized at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. The Bonds and the obligation to pay interest thereon are limited obligations of the Issuer, secured by, among other things, the Assignment and payable solely out of the receipts derived by the Issuer from the Loan Agreement and the Notes and otherwise as provided herein and in the Loan Agreement and the Notes. The Bonds and the obligation to pay interest thereon shall not be deemed to constitute an indebtedness or a loan of credit of the Issuer, the State of Illinois or any political subdivision thereof, or a charge against their general taxing powers, within the meaning of any constitutional or statutory provision of the State of Illinois. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Resolution, in the Bonds and in all proceedings of its City Council pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State of Illinois, including particularly and without limitation the Act, to issue the Bonds authorized hereby, and to pledge and assign the receipts hereby pledged and assigned in the manner and to the extent herein set forth; and that all action on its part for the issuance of the Bonds has been duly and effectively taken and that the Bonds are and will be a valid and enforceable limited obligation of the Issuer according to the true intent and meaning thereof, except as the enforceability of the same may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors' rights, and to the exercise of judicial discretion in accordance with general principles of equity.

The Issuer covenants that it will execute, acknowledge and deliver such instruments and other documents as the Registered Owners of the Bonds or the Assignee may reasonably require for the better assuring, granting, pledging and assigning unto the Assignee the interest of the Issuer in the Loan Agreement and the Notes, as well as the rights of the Issuer in and to the receipts hereby assigned and pledged to the payment of the principal installment of and interest on the Bonds. The Issuer covenants and agrees that, except as herein and in the Loan Agreement provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the receipts derived from the Loan Agreement and the Notes or of its rights under the Loan Agreement and the Notes.

The Issuer covenants and agrees that all books and documents in its possession relating to the receipts derived from and as described in the Loan Agreement and the Notes shall at all reasonable times be open to inspection by the Registered Owners of the Bonds or such accountants or other agencies as such Registered Owners may from time to time designate.

Section 11. Event of Default And Remedies. Upon the occurrence of an Event of Default and so long as such event is continuing, the Assignee by notice in writing delivered to the Issuer and the Borrower, may declare the principal installments of the Bonds and the interest accrued thereon immediately due and payable, and such principal installments and interest shall thereupon become and be immediately due and payable. Upon any such declaration all payments under the Loan Agreement and the Notes from the Borrower immediately shall become due and payable as provided in the Loan Agreement.

While any principal installments of the Bonds or interest are unpaid, the Issuer shall not exercise any of the remedies on default specified in Section 8.2 of the Loan Agreement without prior written consent of the Assignee.

Upon the occurrence of an Event of Default, the Assignee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal installments and interest on the Bonds and to enforce and compel the performance of the duties and obligations of the Issuer as herein set forth and of the Borrower as set forth in the Loan Agreement and the Notes.

No remedy by the terms of this Bond Resolution conferred upon or reserved to the Assignee is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Assignee or to the Registered Owner hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time as often as may be deemed expedient.

All moneys received pursuant to any right given or action taken under the provisions of this Section or under the provisions of the Loan Agreement (after payments of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Issuer, the Assignee or the Registered Owners of the Bonds) and all moneys in the 2017 Bond Fund or 2017 Project Fund at the time of the occurrence of an Event of Default shall be applied to the payment of the principal installments and interest then due and unpaid upon the Bonds to the person entitled thereto.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Paying Agent or the Assignee as the case may be shall determine, but in any event within fifteen (15) business days after receipt of such moneys by the Paying Agent or the Assignee as the case may be. The Paying Agent shall give such notice as it may deem appropriate of the receipt of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Registered Owner of any Bond until such Bond shall be presented to the Paying Agent for appropriate endorsement or for cancellation if fully paid.

Whenever all principal installments and interest on the Bonds have been paid under the provisions of this Section and all expenses of the Assignee, Paying Agent, Bond Registrar and the Issuer have been paid, any balance remaining with the Assignee shall be paid to the Borrower.

With regard to any default concerning which notice is given to the Borrower under the provisions of this Section, the Issuer hereby grants the Borrower full authority for account of the Issuer to perform or observe any covenant or obligation alleged in said notice not to have been performed or observed, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do in order to remedy such default.

Section 12. Sale of the Bonds; Execution of Bond Purchase Agreement. The sale of the Bonds (the execution and issuance of which is authorized pursuant to Section 13 hereunder) to the Purchaser at a price of par plus accrued interest, if any, and payment pursuant to the Bond Purchase Agreement is hereby in all respects authorized, approved and confirmed. The Bond Purchase Agreement in substantially the form which has been presented to the City Council is hereby approved.

The Mayor is hereby authorized and directed to execute said Bond Purchase Agreement for and on behalf of the Issuer, and the City Clerk is hereby authorized to attest the same and to affix thereto the corporate seal of the Issuer.

Section 13. Performance Provisions. The forms, terms and provisions of the proposed Loan Agreement, Bond Purchase Agreement, Notes, Assignment and Tax Compliance Agreement (the "Issuer Documents") are hereby in all respects approved, and the Mayor and City Clerk are hereby authorized, empowered and directed to execute and deliver the Issuer Documents in the name and on behalf of the Issuer. The Issuer Documents, as executed and delivered, shall be in substantially the forms now before this meeting and hereby approved, or with such changes therein as shall be approved by the officers of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the forms of the Issuer Documents now before this meeting.

The Mayor and City Clerk be, and they are hereby, further authorized and directed for and on behalf of the Issuer, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this Bond Resolution or to evidence said authority and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Issuer under the Loan Agreement, the Assignment, the Bond Purchase Agreement and the Tax Compliance Agreement and to discharge all of the obligations of the Issuer thereunder. From and after the execution and delivery of the Issuer Documents authorized by this Bond Resolution, the officers, agents and employees of the Issuer are hereby further authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out the intent and accomplish the purposes of this resolution and to comply with and make effective the provisions of the instruments as executed.

Section 14. Other Tax Covenants.

A. The Issuer recognizes the provisions of Section 265(b)(3) of the Code which provide that a "qualified tax exempt obligation" as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The Issuer hereby designates each of the Bonds as may be from time to time outstanding for purposes of Section 265(b)(3) of the Code as a "qualified tax exempt obligation". In making such designation, the Issuer is relying upon covenants and warranties of the Borrower and continued compliance in connection with Section 501(c)(3) of the Code and the status of the Bonds as "Qualified 501(c)(3) Bonds" under Section 141(e)(1)(G).

In support of such designation, the Issuer further certifies, represents and covenants as follows:

1) Including the Bonds, the Issuer (including any entities subordinate thereto) has not and does not reasonably expect to issue in excess of $10,000,000 in "tax-exempt obligations" during calendar year 2017. The term "tax-exempt obligations" includes "qualified 501(c)(3) bonds" (as defined in Section 145 of the Code) but does not include other "private activity bonds" (as defined in Section 141 of the Code).

2) Including the Bonds, not more than $10,000,000 of obligations issued by the Issuer (including any entities subordinate thereto) during calendar year 2017 have been to date or will be designated by the Issuer for purposes of said Section 265(b)(3).

B. The Bonds are qualified 501(c)(3) "private activity bonds" as defined in Section 141(e)(1)(G) of the Code. In support of such conclusion, the Issuer certifies, represents and covenants as follows:

1) All property which is to be provided by the net proceeds of the issue is to be owned by a 501(c)(3) organization or a governmental unit.

2) No direct or indirect payments are to be made on any Bonds with respect to any private business use by any person other than the qualified 501(c)(3) organization.

3) None of the proceeds of the Bonds are to be used, directly or indirectly, to make or finance loans to persons other than a qualified 501(c)(3) organization.

C. The Issuer recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order to be and remain tax-exempt. In this connection, the Issuer agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 15. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered by hand delivery or on the third (3rd) day following the day on which the same has been mailed by registered or certified mail, postage prepaid, addressed as specified in Section 10.3 of the Loan Agreement. The Issuer, the Borrower or the Assignee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 16. Resolution a Contract; Provisions For Modifications, Alterations and Amendments. The provisions of this Bond Resolution shall constitute a contract between the Issuer and the Registered Owner or Registered Owners of the Bonds hereby authorized; and after the issuance of the Bonds no modification, alteration, or amendment or supplement to the provisions of this Bond Resolution shall be made in any manner except with the written consent of the Registered Owner or Registered Owners of the Bonds until such time as all principal installments of, and interest on the Bonds shall have been paid in full.

Section 17. Satisfaction And Discharge. All rights and obligations of the Issuer and the Borrower under the Loan Agreement, the Notes, the Assignment, the Bonds, the Bond Purchase Agreement and this Bond Resolution shall terminate and such instruments shall cease to be of further effect and the Assignee and Paying Agent shall cancel the Bonds, deliver them to the Issuer, and deliver a copy of the canceled Bonds to the Borrower, and shall assign and deliver to the Borrower any moneys held by the Assignee and Paying Agent required to be paid to the Borrower under Section 7 hereof (except moneys held by the Paying Agent for the payment of principal of or interest on the Bonds) when:

(a) all expenses of the Issuer, the Assignee, the Registrar and the Paying Agent shall have been paid;

(b) the Issuer and the Borrower shall have performed all of their covenants and promises in the Loan Agreement, the Notes, the Assignment, the Bonds, the Bond Purchase Agreement and in this Resolution; and

(c) all principal installments and interest on the Bonds have been paid.

Section 18. Severability. If any section, paragraph, clause or provision of this resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

Section 19. Captions. The captions or headings of this resolution are for convenience only and in no way define, limit or describe the scope or intent of any provision of this resolution.

Section 20. Provisions In Conflict Repealed. All resolutions, and orders, or parts thereof, in conflict with the provisions of this resolution are to the extent of such conflict, hereby repealed, and this Bond Resolution shall be in full force and effect upon its passage and approval as required by law.

AND BE IT FURTHER RESOLVED, that the Mayor and City Clerk are is authorized to execute all documents necessary to effectuate this Bond Resolution.

This Bond Resolution is hereby adopted by the Mayor and by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the City Council of the City of Lincoln, Logan County, Illinois, at a regular meeting of said City Council on this February 6, 2017.

ADOPTED by the Mayor and City Council this February 6, 2017.

Martha A. Neitzel
Mayor

(SEAL)

Susan K. Gehlbach
City Clerk

STATE OF ILLINOIS)
) SS.
COUNTY OF LOGAN)

I, Susan K. Gehlbach, hereby certify that I am the duly qualified and acting City Clerk of the City of Lincoln, Logan County, Illinois (the "Issuer") and as such official I further certify that attached hereto is a copy of a RESOLUTION AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS (ST. CLARA'S PROJECT), SERIES 2017, AUTHORIZING EXECUTION OF A LOAN AGREEMENT, AN ASSIGNMENT AND AGREEMENT, AND A BOND PURCHASE AGREEMENT, ALL RELATIVE TO SAID BONDS, AND AUTHORIZING OTHER ACTION TO BE TAKEN WITH RESPECT TO THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS, dated as of February 6, 2017 (the "Bond Resolution") adopted at a regular meeting of the City Council of the Issuer held on February 6, 2017; that I have compared said copy with the original Bond Resolution in my official custody; that said copy is true, correct and complete; and that as of the date hereof the attached Bond Resolution is still in full force and effect and has not been amended, repealed or rescinded.

I further certify that in accordance with the requirements of The Open Meetings Act, 5 ILCS 120/1, *et seq*., public notice of the date, time and place of the meeting of the City Council of the Issuer was properly given by posting a copy of such notice at the principal office of the Issuer, and by supplying a copy of such notice to any local newspaper of general circulation or any local radio or television station that has filed an annual request for such notice.

I further certify that all meetings of the City Council of the Issuer concerning the $4,680,000 Economic Development Revenue Bonds (St. Clara's Project), Series 2017 were held at times and places convenient to the public and specified in the notice regarding said meetings, and that said meetings were public meetings.

WITNESS my official signature and seal of the City of Lincoln, Logan County, Illinois this February 8, 2017.

Susan K. Gehlbach
City Clerk

(SEAL)

EXHIBIT A

(FORM OF BOND)

UNITED STATES OF AMERICA

CITY OF LINCOLN, LOGAN COUNTY, ILLINOIS

ECONOMIC DEVELOPMENT REVENUE BONDS

(ST. CLARA'S PROJECT)

SERIES 2017

No. R-1 $4,680,000

KNOW ALL MEN BY THESE PRESENTS that the City of Lincoln, Logan County, Illinois (the "Issuer"), a political subdivision, body politic and municipality, duly organized and validly existing under the laws of the State of Illinois, for value received, promises to pay from the source and as hereinafter provided, to the order of HEARTLAND BANK & TRUST COMPANY, or registered assigns, the principal sum of FOUR MILLION SIX HUNDRED EIGHTY THOUSAND DOLLARS, in installments of principal as hereinafter provided and to pay interest on the unpaid balance of said principal sum as hereinafter provided, until the principal amount is paid in full.

(1) Interest shall be calculated on the outstanding principal amount of this Bond from the date of the authentication of this Bond at an interest rate per annum equal to the Interest Rate, provided however that the interest rate shall be adjusted to the then existing Interest Rate on each Adjustment Date; and further provided that from and after any Effective Date of Taxability, as defined in the Loan Agreement, this Bond shall bear interest at the Taxable Interest Rate as adjusted on each Adjustment Date.

(2) "Adjustment Date" means monthly on the sixteenth (16th) day of each calendar month commencing March 16, 2017.

(3) "Bonds" means the Issuer's Economic Development Revenue Bonds (St. Clara's Project), Series 2017, in an aggregate principal amount of $4,680,000.

(4) "Borrower" means St. Clara's Senior Services, an Illinois not-for-profit corporation and a 501(c)(3) organization.

(5) "Code" means the Internal Revenue Code of 1986, as now or hereafter amended, and applicable regulations. All references herein to sections of the Code are to the sections thereof as they existed on the date of execution of the Loan Agreement.

(6) "Interest Rate" means initially 2.13% per annum, subject to adjustment on each Adjustment Date to a rate of interest per annum calculated at 65% of LIBOR plus 1.63%.

(7) "LIBOR Rate" means, for each Adjustment Date, the interest rate per annum determined by the Registered Owner by dividing (i) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which US dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which

is quoted by another source selected by the Registered Owner which has been approved by the British Bankers' Association as an authorized information vendor for the purpose of displaying rates at which US dollar deposits are offered by leading banks in the London interbank deposit market (an "Alternate Source"), at approximately 11:00 a.m., London time, two (2) Business Days prior to such Adjustment Date, as the one (1) month London interbank offered rate for U.S. Dollars commencing on such Adjustment Date (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a comparable replacement rate determined by the Registered Owner at such time (which determination shall be conclusive absent manifest error)), by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage.

(8) "Loan Agreement" means the Loan Agreement dated as of February 1, 2017 between the Issuer and the Borrower.

(9) "Overdue Rate" means the applicable interest rate, Interest Rate or Taxable Interest Rate, as the case may be, plus 2.00%.

(10) "Payment Date" means monthly on the sixteenth (16th) day of each calendar month during the term of the Bonds, commencing March 16, 2017.

(11) "Purchaser" means Heartland Bank & Trust Company, Bloomington, Illinois, an Illinois banking corporation.

(12) "Resolution" means Resolution No. 2017-336 adopted by the Mayor and City Council of the Issuer on February 6, 2017 authorizing issuance of the Bonds.

(13) "Taxable Interest Rate" means a rate of interest per annum equal to the LIBOR Rate plus 2.50%. The Taxable Interest Rate shall be adjusted to the then existing Taxable Interest Rate on each Adjustment Date.

(14) Principal advances shall be made on this Bond from time to time in accordance with the Loan Agreement. Interest shall be calculated on the then outstanding principal amount of this Bond (not on the unpaid principal amount of the Promissory Note) from the date hereof at the Interest Rate as provided herein; provided, however, that from and after any Effective Date of Taxability, as defined in the Loan Agreement, this Bond shall bear interest at the Taxable Interest Rate.

(15) In the event any payment is not made within ten (10) days of when due hereunder, the Issuer shall pay to the owner of this Bond a "late charge" equal 5.00% of the payment due or $25.00, whichever is greater, up to the maximum amount of $250.00 per late charge. In addition, upon acceleration of the Note, as defined in the Loan Agreement of even date herewith from the Borrower to the Issuer, all amounts payable as a result of such acceleration shall bear interest at the Taxable Interest Rate from the date of acceleration until paid. In the event of any Event of Default under the Loan Agreement, the Bond shall bear interest at the Overdue Rate.

(16) Principal and interest payments shall be payable on the Bond on each Payment Date as set forth in the Amortization Schedule attached hereto. All payments of principal and

interest shall be due and payable on each Payment Date, through September 16, 2042, when payment shall be made of all principal then remaining unpaid, if any, together with interest thereon. All payments shall be applied first to interest due and the balance to repayment of principal. Interest shall be calculated on an actual day/360 day basis.

(17) The Issuer has authorized the issuance of the Bonds for the purpose of providing funds to pay a portion of the cost of acquisition, purchase, construction, reconstruction, improvement, betterment or extension that certain project as describe in the Resolution.

(18) Principal of and interest and premium, if any, on this Bond are payable in lawful money of the United States of America at the office of Heartland Bank & Trust Company, Bloomington, Illinois. Payment of principal and interest on this Bond shall be made to the registered owner thereof and shall be paid by check or draft mailed to the registered owner at his address as it appears on the registration books of Issuer or at such other address as is furnished to Issuer in writing by such registered owner.

(19) The proceeds from the sale of the Bonds have been lent by the Issuer to the Borrower under the terms of the Loan Agreement, under which the Borrower is obligated to pay amounts which are sufficient to pay (1) the principal of and premium, if any, and interest on the Bonds as the same shall become due in accordance with the Bonds terms and provisions and the terms and provisions of the Loan Agreement, and (2) the fees and expenses of any paying agents properly payable under the Loan Agreement and certain expenses of the Issuer.

(20) The Bonds are secured by an Assignment and Agreement dated as of February 1, 2017, between the Issuer and the Purchaser. Reference is hereby made to the Loan Agreement for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of Issuer, and the owner of the Bonds, and the terms upon which the Bonds is issued and secured.

(21) This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, but only in the manner, subject to the limitations provided in the Loan Agreement, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond of the same series and the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Issuer and any paying agents may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes, and Issuer shall not be affected by the notice to the contrary.

(22) The Bonds are issuable only as fully registered bonds without coupons. Subject to the limitations and upon payment of the charges provided in the Loan Agreement a registered Bond without coupons may be exchanged for a like aggregate principal amount of registered Bonds without coupons of other authorized denominations of the same series and the same maturity.

(23) The principal installments of the Bonds are subject to prepayment as set forth in the Loan Agreement.

(24) In the event of prepayment, the Bonds may be redeemed by the Bond Registrar as directed by the Assignee at a prepayment price of par plus accrued interest to the prepayment date with premium upon written notice to the Registered Owners of the Bonds given by the Borrower on behalf of the Issuer, at least five (5) business days prior to the installment payment date which the Borrower shall have designated as the prepayment date. In the event the Bonds are redeemed in part, the Registered Owner of the Bonds shall deliver the Bonds to the Paying Agent for an endorsement which duly notes the redemption in part. Any failure to have duly noted or endorsed such prepayment shall not render such prepayment ineffective.

(25) In the event the Borrower prepays the Bonds in part, the Borrower shall be required to continue to make payments on each subsequent Payment Date until the entire principal balance of the Bonds is paid in full.

(26) Additionally, notwithstanding the foregoing paragraph, the Bonds are subject to redemption in the event the Borrower shall be obligated to prepay the amounts payable under the Loan Agreement as provided in Article V of the Loan Agreement. If called for redemption at any time pursuant to the above, the Bonds shall be subject to redemption by Issuer in whole or in part. Reference is hereby made to Section 9.1 and Article V of the Loan Agreement for a description of the circumstances and terms under which Borrower may prepay or be required to prepay the amounts payable under the Loan Agreement.

(27) The Bonds are issued pursuant to and in full compliance with The Industrial Project Revenue Bond Act (65 ILCS 5/11-74-1 *et seq.*), as supplemented and amended, and by appropriate action duly taken by the City Council of the Issuer which authorizes the execution and delivery of the Loan Agreement. Payments sufficient for the prompt payment, when due, of the principal of and premium, if any, and interest on the Bonds are to be paid to Heartland Bank & Trust Company, Bloomington, Illinois for the account of Issuer and deposited in a special account created by Issuer and designated "City of Lincoln Economic Development Revenue Bonds 2017 Bond Fund (St. Clara's Project)" and such payments have been duly pledged and assigned for that purpose, and in addition, the rights of Issuer (other than certain indemnification rights and the payment of certain expenses of Issue) under the Loan Agreement have been assigned to the Purchaser to secure payment of such principal and premium, if any, and interest under the Loan Agreement.

(28) THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER NOR A LOAN OF THE CREDIT OF THE ISSUER OR THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. NEITHER THE FAITH AND CREDIT OF THE ISSUER NOR THE TAXING POWER OF THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

(29) The owner of this Bond shall have no right to enforce the Loan Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Loan Agreement, or to institute, appear in or defend any suit or other proceedings with respect thereto, unless an Event of Default, as defined in the Loan Agreement shall have occurred. In certain events, on the conditions, in the manner and with the effect set forth in the Loan Agreement, the principal of the Bonds and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

(30) The Loan Agreement permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of Issuer and the rights of the owner of the Bonds at any time by Issuer with the consent of the owner the Bonds. Any such consent or waiver by the owner of the Bonds shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any Bond issued in replacement thereof whether or not notation of such consent or waiver is made upon this Bond. The Loan Agreement also contains provisions permitting waiver of certain past defaults under the Loan Agreement and their consequences.

(31) The Issuer has designated the Bonds "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

(32) It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Loan Agreement and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation; and that the amounts payable under the Loan Agreement and pledged to the payment of the principal of and premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, will be sufficient in amount for that purpose.

IN WITNESS WHEREOF, the City of Lincoln, Logan County, Illinois, has caused this Bond to be executed in its name by the manual signature of its Mayor and its corporate seal to be hereunto impressed or imprinted hereon and attested by the manual signature of its City Clerk, all as of February 8, 2017.

CITY OF LINCOLN, LOGAN COUNTY, ILLINOIS

By: ______________________________
Mayor

(SEAL)
ATTEST:

____
City Clerk

(Form of Certificate of Authentication)

This Bond is one of the Bonds described in the within mentioned Resolution No. 2017-336 of the City of Lincoln, Logan County, Illinois.

Registration Date: February 8, 2017

HEARTLAND BANK & TRUST COMPANY

By: ______________________________
Vice President

Bond Registrar and Paying Agent:

Heartland Bank & Trust Company
Bloomington, Illinois

(Form for Transfer)

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

____

____

(Print name, address and employer identification number or social security number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocable constitutes and appoints ____, Attorney to transfer the within Bond on the Bond Register kept for registration thereof, with full power of substitution in the premises.

Dated: __________________

____

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

Signature Guaranteed By:

____

(Name of Bank)

By: ___________________________________

Title: _________________________________

AMORTIZATION SCHEDULE

Each payment of interest shall be calculated at the applicable interest rate so as to equal the interest for the period preceding the Payment Date. Each payment of principal shall be calculated by amortizing the Outstanding principal balance of the Bonds as of each Payment Date occurring on and after March 16, 2019, at the interest rate then applicable using an amortization factor of twenty-three and one-half (23 1/2) years.

At least five (5) Business Days prior to each Payment Date, the Assignee shall send Borrower a notice specifying the principal and interest due on the next succeeding Payment Date. The failure to provide notice will not relieve Borrower of its obligations to pay principal and interest when due.