CITY OF DEKALB, ILLINOIS

$3,925,000 General Obligation Refunding Bonds,
Series 2019
City of DeKalb, Illinois

$3,925,000 General Obligation Refunding Bonds,
Series 2019

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ORDINANCE 2019-058  

AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $4,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019, OF THE CITY OF DEKALB, ILLINOIS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DEKALB, ILLINOIS, AS FOLLOWS:

Section 1. Authority and Purpose. This ordinance is adopted pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and authorizes the issuance of general obligation bonds of the City for the purpose of refunding the $3,905,000 outstanding principal amount of General Obligation Refunding Bonds, Series 2010B, of the City, maturing in the years 2023 to 2028, inclusive (the “Prior Bonds”).

Section 2. Refunding Plan. The City determines to refund the Prior Bonds and elects to redeem and call for redemption all of the Prior Bonds on January 1, 2020 and at a redemption price equal to the principal amount of the Prior Bonds.

The City Manager and the other officers and officials of the City are authorized and directed to do, or cause to be done, all things necessary to accomplish the refunding and redemption of the Prior Bonds. Authority is delegated to the City Manager to determine to refund less than all of the Prior Bonds and to determine the particular Prior Bonds to be refunded. Such determination shall be made in a Bond Order to be signed by the City Manager (the “Bond Order”). An executed counterpart of the Bond Order shall be filed with the City Clerk and entered in the records of the City.

Section 3. Authorization and Terms of Bonds. To meet part of the estimated cost of refunding the Prior Bonds, there is hereby appropriated the sum of $4,000,000. Said appropriation is inclusive of amounts required for the payment of costs of issuance of the bonds authorized by this Section.

Pursuant to the home rule powers of the City to incur debt payable from ad valorem property tax receipts and for the purpose of financing said appropriation, unlimited tax general obligation bonds of the City shall be issued and sold in an aggregate principal amount of not to exceed $4,000,000 and shall be designated “General Obligation Refunding Bonds, Series 2019” (the “2019 Bonds”).

The 2019 Bonds shall be issuable in the denominations of $5,000 or any integral multiple thereof and may bear such identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of 2019 Bonds; provided that the City may determine in the Bond Order to issue the 2019 Bonds with an authorized minimum denomination greater than $5,000. Each 2019 Bond delivered upon the original issuance of the 2019 Bonds shall be dated as of the date determined in the Bond Order. Each 2019 Bond thereafter issued upon any transfer or exchange of 2019 Bonds shall be dated so that no gain or loss of interest shall result from such transfer or exchange. The 2019 Bonds shall mature (or be subject to mandatory sinking fund redemption) on January 1 in such years and in such principal amounts as shall be determined in the Bond Order, provided that no 2019 Bond shall mature later than January 1, 2028. Each 2019 Bond shall bear

PASSED: SEPTEMBER 9, 2019
interest from its date, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on an initial interest payment date of January 1, 2020 or July 1, 2020 as determined in the Bond Order and semiannually thereafter on each January 1 or July 1, at the rates per annum, not exceeding 5%, to be determined in the Bond Order.

The City Finance Director may serve as bond registrar and paying agent for the 2019 Bonds or, if so determined in the Bond Order, a bank, trust company or national banking association may be appointed to serve as bond registrar and paying agent for the 2019 Bonds.

The principal of the 2019 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the office of the bond registrar. Interest on the 2019 Bonds shall be payable on each interest payment date to the registered owners of record thereof appearing on the registration books maintained by the City for such purpose at the office of the bond registrar, as of the close of business on the 15th day of the calendar month next preceding the applicable interest payment date. Interest on the 2019 Bonds shall be paid by wire transfer pursuant to an agreement by and between the City and the registered owner, or otherwise by check or draft mailed to such registered owners at their addresses appearing on the registration books.

Any of the 2019 Bonds may be subject to redemption prior to maturity at the option of the City on such redemption dates and at such redemption prices as shall be determined in the Bond Order.

All 2019 Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price equal to the principal amount thereof to be redeemed. The bond registrar is hereby authorized and directed to mail notice of the mandatory sinking fund redemption of the 2019 Bonds in the manner herein provided.

On or prior to the 60th day preceding any sinking fund installment date, the City may purchase 2019 Bonds, which are subject to mandatory redemption on such sinking fund installment date, at such prices as the City shall determine. Any 2019 Bond so purchased shall be cancelled and the principal amount thereof so purchased shall be credited against the unsatisfied balance of the next ensuing sinking fund installment of the 2019 Bonds of the same maturity as the 2019 Bond so purchased.

In the event of the redemption of less than all the 2019 Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be $5,000 or an integral multiple thereof and the bond registrar shall assign to each 2019 Bond of such maturity a distinctive number for each $5,000 principal amount of such 2019 Bond and shall select by lot from the numbers so assigned as many numbers as, at $5,000 for each number, shall equal the principal amount of such 2019 Bonds to be redeemed. The 2019 Bonds to be redeemed shall be the 2019 Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each 2019 Bond shall be redeemed as shall equal $5,000 for each number assigned to it and so selected.

Notice of the redemption of 2019 Bonds shall be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of 2019 Bonds to be redeemed at their last addresses appearing on said registration books. The 2019 Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price
on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the 2019 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) than from and after the redemption date interest on such 2019 Bonds or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a 2019 Bond, the City shall execute and the bond registrar shall authenticate and deliver, upon surrender of such 2019 Bond, without charge to the owner thereof, in exchange for the unredeemed balance of the 2019 Bond so surrendered, bonds of like maturity and of the denomination of $5,000 or any integral multiple thereof.

The bond registrar shall not be required to transfer or exchange any 2019 Bond after notice of the redemption of all or a portion thereof has been mailed. The bond registrar shall not be required to transfer or exchange any 2019 Bond during a period of 15 days next preceding the mailing of a notice of redemption that could designate for redemption all or a portion of such 2019 Bond.

Section 4. Sale and Delivery. The 2019 Bonds shall be sold by means of a direct placement to a purchaser, as determined by the City Manager.

The principal amount of the 2019 Bonds to be sold and all terms and provisions of the 2019 Bonds not otherwise determined by this ordinance shall be determined in the Bond Order. Authority is hereby delegated to the City Manager to sign the Bond Order and to make the various determinations authorized by this ordinance to be determined pursuant to the Bond Order.

The purchase price of the 2019 Bonds shall be not less than 98% of the principal amount of the 2019 Bonds.

The 2019 Bonds shall not be sold unless the net present value debt service savings to be obtained by the City as a result of the refunding of the Prior Bonds is not less than 3% of the principal amount of the Prior Bonds to be refunded.

The Mayor, City Clerk, the City Manager and the other officials of the City are authorized and directed to do and perform, or cause to be done or performed for or on behalf of the City each and every thing necessary for the issuance of the 2019 Bonds, including the proper execution and delivery of the 2019 Bonds and any bond purchase agreement.

Section 5. Execution and Authentication. Each 2019 Bond shall be executed in the name of the City by the manual or authorized facsimile signature of its Mayor and the corporate seal of the City, or a facsimile thereof, shall be thereunto affixed or otherwise reproduced thereon and attested by the manual or authorized facsimile signature of its City Clerk or Deputy City Clerk.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any 2019 Bond shall cease to hold such office before the issuance of the 2019 Bond, such 2019 Bond shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature, or a facsimile thereof, appears on such 2019 Bond had not ceased to hold such office. Any 2019 Bond may be signed, sealed or attested on behalf of the City by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such 2019 Bond such
person may not have held such office. No recourse shall be had for the payment of any 2019 Bonds against any officer who executes the 2019 Bonds.

Each 2019 Bond shall bear thereon a certificate of authentication executed manually by the bond registrar. No 2019 Bond shall be entitled to any right or benefit under this ordinance or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the bond registrar.

Section 6. Transfer, Exchange and Registry. The 2019 Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each 2019 Bond shall be transferable only upon the registration books maintained by the City for that purpose at the office of the bond registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the bond registrar and duly executed by the registered owner or his duly authorized attorney. Upon the surrender for transfer of any such 2019 Bond, the City shall execute and the bond registrar shall authenticate and deliver a new 2019 Bond or 2019 Bonds registered in the name of the transferee, of the same aggregate principal amount, maturity and interest rate as the surrendered 2019 Bond. 2019 Bonds, upon surrender thereof at the corporate trust office of the bond registrar, with a written instrument satisfactory to the bond registrar, duly executed by the registered owner or his attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of 2019 Bonds of the same maturity and interest rate and of any authorized denominations.

For every such exchange or registration of transfer of 2019 Bonds, the City or the bond registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making such transfer or exchange. The provisions of the Illinois Bond Replacement Act shall govern the replacement of lost, destroyed or defaced 2019 Bonds.

The City and the bond registrar may deem and treat the person in whose name any 2019 Bond shall be registered upon the registration books as the absolute owner of such 2019 Bond, whether such 2019 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such 2019 Bond to the extent of the sum or sums so paid, and neither the City nor the bond registrar shall be affected by any notice to the contrary.

Section 7. General Obligations. The full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the principal of and interest on the 2019 Bonds. The 2019 Bonds shall be direct and general obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable property in the City for the payment of the 2019 Bonds and the interest thereon, without limitation as to rate or amount.

Section 8. Form of Bonds. The 2019 Bonds shall be issued as fully registered bonds and shall be in substantially the following form, the blanks to be appropriately completed when the 2019 Bonds are printed:
United States of America  
State of Illinois  
County of DeKalb  
CITY OF DEKALB  
GENERAL OBLIGATION REFUNDING BOND,  
SERIES 2019

<table>
<thead>
<tr>
<th>INTEREST RATE</th>
<th>MATURITY DATE</th>
<th>DATED DATE</th>
<th>[CUSIP]</th>
</tr>
</thead>
<tbody>
<tr>
<td>. %</td>
<td>January 1, 20__</td>
<td>______, 2019</td>
<td>[240775__]</td>
</tr>
</tbody>
</table>

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The CITY OF DEKALB, a municipal corporation and a home rule unit of the State of Illinois situate in the County of DeKalb, acknowledges itself indebted and for value received hereby promises to pay to the registered owner of this bond, or registered assigns, the principal amount specified above on the maturity date specified above, and to pay interest on such principal amount from the date hereof at the interest rate per annum specified above, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on [January 1, 2020] [July 1, 2020] and semiannually thereafter on January 1 and July 1 in each year until the principal amount shall have been paid, to the registered owner of record hereof as of the 15th day of the calendar month next preceding such interest payment date, by wire transfer pursuant to an agreement by and between the City and the registered owner, or otherwise by check or draft mailed to the registered owner at the address of such owner appearing on the registration books maintained by the City for such purpose at the office of ________________, as bond registrar or its successor (the "Bond Registrar").

This bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the corporate trust office of the Bond Registrar. The full faith and credit of the City are irrevocably pledged for the punctual payment of the principal of and interest on this bond according to its terms.

This bond is one of a series of bonds issued in the aggregate principal amount of $_____________, which are authorized and issued under and pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and under and in accordance with an ordinance adopted by the City Council of the City on ____________, 2019 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $4,000,000 General Obligation Refunding Bonds, Series 2019, of the City of DeKalb, Illinois."

[The bonds of such series maturing on or after January 1, 20__, are subject to redemption prior to maturity at the option of the City on __________, 1, 20__ and on any date thereafter, in such principal amounts and from such maturities as the City shall determine, and by lot within a maturity, at a redemption price equal to the principal amount thereof to be redeemed.]
The bonds of such series maturing in the years 20__, 20__ and 20__ (the “Term Bonds”) are subject to mandatory redemption, in part and by lot, on January 1 in the years and in the respective principal amounts set forth in the following tables, by the application of sinking fund installments, at a redemption price equal to the principal amount thereof to be redeemed:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>20__</td>
<td>$000</td>
</tr>
<tr>
<td>20__</td>
<td>000</td>
</tr>
<tr>
<td>20__</td>
<td>000</td>
</tr>
</tbody>
</table>

Notice of the redemption of bonds will be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of bonds to be redeemed at their last addresses appearing on such registration books. The bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such bonds or portions thereof shall cease to accrue and become payable.

This bond is transferable only upon such registration books by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof at the corporate trust office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered bond or bonds, in the authorized denominations of $_________ or any integral multiple thereof and of the same aggregate principal amount, maturity and interest rate as this bond shall be issued to the transferee in exchange therefor. In like manner, this bond may be exchanged for an equal aggregate principal amount of bonds of the same maturity and interest rate and of any of such authorized denominations. The City or the Bond Registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this bond. No other charge shall be made for the privilege of making such transfer or exchange. The City and the Bond Registrar may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes whatsoever.

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

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this bond in order to make it a legal, valid and binding obligation of the City have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of bonds of which this bond
is one, together with all other indebtedness of the City, is within every debt or other limit prescribed by law.
IN WITNESS WHEREOF, the City of DeKalb has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its City Clerk or Deputy City Clerk.

Dated: ________________, 2019

CITY OF DEKALB

Mayor

Attest:

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Refunding Bonds, Series 2019, described in the within mentioned Ordinance.

__________________________,

as Bond Registrar

By

Authorized Signer
ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto ______________________

___________________________

the within bond and hereby irrevocably constitutes and appoints ______________________

___________________________

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

Dated ______________________

___________________________

Signature Guarantee:
Section 9. Levy and Extension of Taxes. (A) For the purpose of providing the money required to pay the interest on the 2019 Bonds when and as the same falls due and to pay and discharge the principal thereof (including mandatory sinking fund payments) as the same shall mature, there is hereby levied upon all the taxable property in the City, in each year while any of the 2019 Bonds shall be outstanding, a direct annual tax sufficient for that purpose in addition to all other taxes, as follows:

<table>
<thead>
<tr>
<th>Tax Levy Year</th>
<th>A Tax Sufficient to Produce</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$170,000</td>
</tr>
<tr>
<td>2020</td>
<td>170,000</td>
</tr>
<tr>
<td>2021</td>
<td>300,000</td>
</tr>
<tr>
<td>2022</td>
<td>980,000</td>
</tr>
<tr>
<td>2023</td>
<td>980,000</td>
</tr>
<tr>
<td>2024</td>
<td>980,000</td>
</tr>
<tr>
<td>2025</td>
<td>980,000</td>
</tr>
<tr>
<td>2026</td>
<td>170,000</td>
</tr>
</tbody>
</table>

(B) Interest or principal coming due at any time when there shall be insufficient funds on hand to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the taxes herein levied; and when said taxes shall have been collected, reimbursement shall be made to the said funds in the amounts thus advanced.

(C) After the sale of the 2019 Bonds and the execution of the Bond Order, an executed copy of the Bond Order and a copy of this ordinance, certified by the City Clerk, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerk of DeKalb County, Illinois, who is hereby directed to ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in the years 2019 to 2026, inclusive, and subject to adjustment as provided in paragraph (D) of this Section, and to extend the same for collection on the tax books in connection with other taxes levied in said years, in and by the City for general corporate purposes of the City, and in said years such annual tax shall be levied and collected in like manner as taxes for general corporate purposes for said years are levied and collected and, when collected, such taxes shall be used for the purpose of paying the principal of and interest on the 2019 Bonds as the same become due and payable.

(D) In the event that 2019 Bonds are to be issued such that for any tax levy year an amount less than that set forth in paragraph (A) of this Section is required to be produced to pay when due the principal of and interest on the 2019 Bonds, then the City shall cause to be filed with the aforesaid County Clerk, on or prior to the date of delivery of the 2019 Bonds, a direction for abatement of taxes specifying the exact amount of taxes to be levied to produce the required amounts for each of the various tax levy years.

Section 10. Taxes Levied for Payment of Refunded Bonds. After the issuance of the 2019 Bonds, the City shall cause to be filed with the County Clerk of DeKalb County, a certificate listing the Prior Bonds and the taxes theretofore levied for the payment of the principal of and interest on the Prior Bonds payable after January 1, 2020, and said certificates shall direct the abatement of such taxes.
Section 11. Escrow Deposit Agreement. The form of 2019 Escrow Deposit Agreement, on file in the office of the City Clerk, is hereby approved. Amalgamated Bank of Chicago is hereby appointed to serve as Escrow Agent under the 2019 Escrow Deposit Agreement. The proper officers of the City are authorized and directed to execute and deliver the 2019 Escrow Deposit Agreement on behalf of the City.

Section 12. Application of Proceeds. The proceeds of sale of the 2019 Bonds shall be deposited as follows:

1. To the General Debt Service Fund of the City, all accrued interest received upon the issuance of the 2019 Bonds.

2. To the 2019 Escrow Fund maintained under the 2019 Escrow Deposit Agreement, the amount, together with other moneys (if any) of the City deposited therein, necessary to provide for the redemption of the Prior Bonds and to provide for interest to become due and payable on the Prior Bonds to their redemption date.

3. To the 2019 Expense Fund, the remaining proceeds of sale of the 2019 Bonds.

Section 13. General Debt Service Fund. Moneys derived from taxes herein levied are appropriated and set aside for the purpose of paying principal of and interest on the 2019 Bonds when and as the same come due. All of such moneys, and all other moneys to be used for the payment of the principal of and interest on the 2019 Bonds, shall be deposited in the General Debt Service Fund of the City, which shall be administered as a bona fide debt service fund under the Internal Revenue Code of 1986.

Moneys held in the General Debt Service Fund for the payment of the principal of and the interest on the 2019 Bonds shall be allocated and identified as available for such purpose in the records of the City pertaining to the General Debt Service Fund.

Pursuant to Section 13 of the Local Government Debt Reform Act, the tax receipts derived from the taxes levied pursuant to this ordinance are pledged as security for the payment of the 2019 Bonds. All such tax receipts shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City irrespective of whether such parties have notice thereof.

Section 14. Expense Fund. The “2019 Expense Fund” is hereby established as a special fund of the City. Moneys in the 2019 Expense Fund shall be used for the purpose of paying the costs of issuance of the 2019 Bonds. Moneys in the 2019 Expense Fund may be reappropriated and used for other purposes if such reappropriation is permitted under Illinois law and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2019 Bonds.

Section 15. Investment Regulations. No investment shall be made of any moneys in the General Debt Service Fund, the 2019 Escrow Fund or the 2019 Expense Fund except in accordance with the tax covenants set forth in Section 16 of this ordinance. All income derived from such
investments in respect of moneys or securities in any Fund shall be credited in each case to the Fund in which such moneys or securities are held.

Any moneys in any Fund that are subject to investment yield restrictions may be invested in United States Treasury Securities, State and Local Government Series, pursuant to the regulations of the United States Treasury Department, Bureau of the Fiscal Service, or in any tax-exempt bond that is not an “investment property” within the meaning of Section 148(b)(2) of the Internal Revenue Code of 1986. The City Finance Director and agents designated by him are hereby authorized to submit, on behalf of the City, subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

Section 16. Tax Covenants. The City shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any 2019 Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such 2019 Bond is subject on the date of original issuance thereof.

The City shall not permit any of the proceeds of the 2019 Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any 2019 Bond to constitute a “private activity bond” within the meaning of Section 141 of the Internal Revenue Code of 1986.

The City shall not permit any of the proceeds of the 2019 Bonds or other moneys to be invested in any manner that would cause any 2019 Bond to constitute an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986 or a “hedge bond” within the meaning of Section 149(g) of the Internal Revenue Code of 1986.

The City shall comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986 relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

Section 17. Bank Qualified Designation. The City hereby designates the 2019 Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986. The City represents that the reasonably anticipated amount of tax-exempt obligations that are required to be taken into account for the purpose of Section 265(b)(3)(C) of the Code and will be issued by or on behalf of the City and all subordinate entities of the City during 2019 does not exceed $10,000,000. The City covenants that it will not designate and issue more than $10,000,000 aggregate principal amount of tax-exempt obligations in the year in which the 2019 Bonds are issued. For purposes of the two preceding sentences, the term “tax-exempt obligations” includes “qualified 501(c)(3) bonds” (as defined in the Section 145 of the Internal Revenue Code of 1986) but does not include other “private activity bonds” (as defined in Section 141 of the Internal Revenue Code of 1986).

Section 18. Continuing Disclosure. For the benefit of the beneficial owners of the 2019 Bonds, the City covenants and agrees to provide to the Municipal Securities Rulemaking Board (the “MSRB”) for disclosure on the Electronic Municipal Market Access (“EMMA”) system, in an electronic format as prescribed by the MSRB, (i) an annual report containing certain financial information and operating data relating to the City and (ii) timely notices of the occurrence of
certain enumerated events. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

The annual report shall be provided to the MSRB for disclosure on EMMA within 210 days after the close of the City’s fiscal year. The information to be contained in the annual report shall consist of the annual audited financial statement of the City and such additional information as noted in any bond purchase agreement with respect to the 2019 Bonds. Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units and will be prepared in accordance with standards of the Governmental Accounting Standards Board. If the audited financial statement is not available, then an unaudited financial statement shall be included in the annual report and the audited financial statement shall be provided promptly after it becomes available.

The City, in a timely manner not in excess of ten business days after the occurrence of the event, shall provide notice to the MSRB for disclosure on EMMA of any failure of the City to provide any such annual report within the 210 day period and of the occurrence of any of the following events with respect to the 2019 Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service 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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the 2019 Bonds, or other events affecting the tax-exempt status of the 2019 Bonds; (7) modifications to rights of bondholders, if material; (8) 2019 Bond calls, if material and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the 2019 Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect bondholders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties. For the purposes of the event identified in clause (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. As used in clauses (15) and (16), the term financial obligation means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security for, an
existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “Rule”).

It is found and determined that the City has agreed to the undertakings contained in this Section in order to assist participating underwriters of the 2019 Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The City Manager or his designee is authorized and directed to do and perform, or cause to be done or performed, for or on behalf of the City, each and every thing necessary to accomplish the undertakings of the City contained in this Section for so long as Rule 15c2-12(b)(5) is applicable to the 2019 Bonds and the City remains an “obligated person” under the Rule with respect to the 2019 Bonds.

The undertakings contained in this Section may be amended by the City upon a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the obligated person, or type of business conducted, provided that (a) the undertaking, as amended, would have complied with the requirements of Rule 15(c)2-12(b)(5) at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the City, the amendment does not materially impair the interests of the beneficial owners of the 2019 Bonds.

Section 19. Bond Registrar. The City covenants that it shall at all times retain a bond registrar with respect to the 2019 Bonds, that it will maintain at the designated office of such bond registrar a place where 2019 Bonds may be presented for payment and registration of transfer or exchange and that it shall require that the bond registrar maintain proper registration books and perform the other duties and obligations imposed upon the bond registrar by this ordinance in a manner consistent with the standards, customs and practices of the municipal securities business.

The bond registrar shall signify its acceptance of the duties and obligations imposed upon it by this ordinance by executing the certificate of authentication on any 2019 Bond, and by such execution the bond registrar shall be deemed to have certified to the City that he has accepted such duties and obligations not only with respect to the 2019 Bond so authenticated but with respect to all the 2019 Bonds. The bond registrar is the agent of the City and shall not be liable in connection with the performance of its duties except for its own negligence or default. The bond registrar shall, however, be responsible for any representation in the certificate of authentication on the 2019 Bonds.

The City may remove the bond registrar at any time. In case at any time the bond registrar shall resign, or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the bond registrar, or of its property, shall be appointed, or if any public officer shall take charge or control of the bond registrar or of its property or affairs, the City covenants and agrees that it will thereupon appoint a successor bond registrar. The City shall mail notice of any such appointment made by it to each registered owner of 2019 Bonds within twenty days after such appointment.
Section 20. Book-Entry System. The City Manager may determine to issue the 2019 Bonds in book-entry form. In order to provide for the initial issuance of the 2019 Bonds in a form that provides for a system of book-entry only transfers, the ownership of each fully registered bond for each maturity, in the aggregate principal amount of such maturity, may be registered in the name of Cede & Co., as a nominee of The Depository Trust Company, as securities depository for the 2019 Bonds. The City Manager or his designee is authorized to execute and deliver on behalf of the City such letters to, or agreements with, the securities depository as shall be necessary to effectuate such book-entry system.

In case at any time the securities depository shall resign or shall become incapable of acting, then the City shall appoint a successor securities depository to provide a system of book-entry only transfers for the 2019 Bonds, by written notice to the predecessor securities depository directing it to notify its participants (those persons for whom the securities depository holds securities) of the appointment of a successor securities depository.

If the system of book-entry only transfers for the 2019 Bonds is discontinued, then the City shall issue and the bond registrar shall authenticate, register and deliver to the beneficial owners of the 2019 Bonds, bond certificates in replacement of such beneficial owners’ beneficial interests in the 2019 Bonds, all as shown in the records maintained by the securities depository.

Section 21. Defeasance and Payment of Bonds. (A) If the City shall pay or cause to be paid to the registered owners of the 2019 Bonds, the principal and interest due or to become due thereon, at the times and in the manner stipulated therein and in this ordinance, then the pledge of taxes, securities and funds hereby pledged and the covenants, agreements and other obligations of the City to the registered owners and the beneficial owners of the 2019 Bonds shall be discharged and satisfied.

(B) Any 2019 Bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such 2019 Bonds, shall be deemed to have been paid within the meaning of paragraph (A) of this Section if (1) in case any such 2019 Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such 2019 Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) “Federal Obligations” as defined in paragraph (C) of this Section, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of, redemption premium, if any, and interest due and to become due on said 2019 Bonds on and prior to the applicable redemption date or maturity date thereof.

(C) As used in this Section, the term “Federal Obligations” means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) of this paragraph, which are stripped pursuant to programs of the Department of
the Treasury of the United States of America, or (iv) coupons or interest installments stripped from bonds of the Resolution Funding Corporation.

Section 22. Ordinance to Constitute a Contract. The provisions of this ordinance shall constitute a contract between the City and the registered owners of the 2019 Bonds. Any pledge made in this ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the owners of any and all of the 2019 Bonds. All of the 2019 Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the 2019 Bonds over any other thereof except as expressly provided in or pursuant to this ordinance. This ordinance shall constitute full authority for the issuance of the 2019 Bonds and to the extent that the provisions of this ordinance conflict with the provisions of any other ordinance or resolution of the City, the provisions of this ordinance shall control. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

In this ordinance, reference to an officer of the City includes any person holding that office on an interim basis, and any person delegated the authority to act on behalf of such officer.
Section 23. Publication. The City Clerk is hereby authorized and directed to publish this ordinance in pamphlet form and to file copies thereof for public inspection in her office.

Section 24. Effective Date. This ordinance shall become effective upon its passage and approval.

Passed and adopted this 9th day of September, 2019, by roll call vote as follows:

Ayes: Morris, Finucane, Smith, Fagan, McAdams, Verbic, Faivre, Mayor Smith.

Nays: None.

Approved: September 9, 2019

Jerry Smith, Mayor

Published in pamphlet form: September 10, 2019

(SEAL)

Attest:

Lynn A. Fazekas, City Clerk
CERTIFICATE

I, LYNN A. FAZEKAS, City Clerk of the City of DeKalb, Illinois, hereby certify that the foregoing ordinance entitled:

ORDINANCE 2019-058

"Ordinance Authorizing the Issuance of Not to Exceed $4,000,000 General Obligation Refunding Bonds, Series 2019, of the City of DeKalb, Illinois,"

is a true copy of an original ordinance that was duly adopted by the recorded affirmative votes of a majority of the members of the City Council of the City at a meeting thereof that was duly called and held at 6:00 p.m. on September 9, 2019, in the Council Chambers at the DeKalb Municipal Building, and at which a quorum was present and acting throughout, and that said copy has been compared by me with the original ordinance signed by the Mayor on September 9, 2019, and thereafter published in pamphlet form on September 10, 2019, and recorded in the Ordinance Book of the City and that it is a correct transcript thereof and of the whole of said ordinance, and that said ordinance has not been altered, amended, repealed or revoked, but is in full force and effect.

I further certify that the agenda for said meeting included the ordinance as a matter to be considered at the meeting and that said agenda was posted at least 48 hours in advance of the holding of the meeting in the manner required by the Open Meetings Act, 5 Illinois Compiled Statutes 120, and was continuously available for public review during the 48 hour period preceding the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this [insert date] day of September, 2019.

[Signature]
LYNN A. FAZEKAS, City Clerk
CITY OF DEKALB

ORDINANCE NO. 2019-058

AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $4,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019, OF THE CITY OF DEKALB, ILLINOIS.

ADOPTED BY THE
CITY COUNCIL OF THE
CITY OF DEKALB

Published in pamphlet form by authority of the City Council of the City of DeKalb, DeKalb County, Illinois, this 10th day of September 2019.
STATE OF ILLINOIS  
)  
COUNTY OF DEKALB  
) ss.  
CERTIFICATE OF PUBLICATION  
)  

I, Lynn A. Fazekas, certify that I am the duly appointed and acting Municipal Clerk of the City of DeKalb, DeKalb County, Illinois.

I further certify that on September 9, 2019, the Corporate Authorities of such municipality passed and approved Ordinance 2019-058, entitled:

AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $4,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019, OF THE CITY OF DEKALB, ILLINOIS.

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

The pamphlet form of Ordinance 2019-058, including the Ordinance and cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the municipal building, commencing on September 10, 2019, and continuing for at least 10 days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the Municipal Clerk.

DATED at DeKalb, Illinois, this 10th day of September 2019.

(SEAL)  
LYNN A. FAZEKAS, City Clerk
CERTIFICATION OF MINUTES AND AGENDA

I, Lynn A. Fazekas, City Clerk of the City of DeKalb, Illinois, hereby certify that annexed hereto is a copy of the minutes of a meeting of the City Council of the City duly called and held on September 9, 2019 and at which a quorum was present and acting throughout.

I further certify that I have compared said copy with the original minutes of said meeting as recorded in the minute book of said City and that said copy is a true and correct copy of the whole of said original minutes.

I further certify that annexed hereto is a copy of the agenda of said meeting and I have compared said copy with the original agenda of said meeting and that said copy is a true and correct copy of the whole of said original agenda.

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the seal of said City to be affixed, this 25th day of September, 2019.

(Seal)

City Clerk
MINUTES
CITY OF DEKALB
REGULAR CITY COUNCIL MEETING
SEPTEMBER 9, 2019

The City Council of DeKalb, Illinois held a Regular City Council meeting on September 9, 2019, in the City Council Chambers of the DeKalb Municipal Building, 200 South Fourth Street, DeKalb, Illinois.

A. CALL TO ORDER AND ROLL CALL

Mayor Smith called the meeting to order at 6:50 p.m.

City Clerk Lynn Fazekas called the roll, and the following members of City Council were present: Alderman Carolyn Morris, Alderman Bill Finucane, Alderman Tracy Smith, Alderman Pat Fagan, Alderman Scott McAdams, Alderman Mike Verbic, Alderman Tony Faivre, and Mayor Jerry Smith.

Staff present included: City Manager Bill Nicklas, Assistant City Manager Raymond Munch, Interim Police Chief John Petragallo, Principal Planner Dan Olson, Transit Manager Marcus Cox, City Engineer Zac Gill, and City Attorney John Donahue.

B. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES

Mayor Smith led the Pledge.

C. APPROVAL OF THE AGENDA

Mayor Smith asked for additions or deletions to the agenda. None were offered.

MOTION

Alderman Smith moved to approve the agenda. Alderman Fagan seconded.

VOTE

Motion carried 8-0 on roll call vote. Aye: Finucane, Smith, Fagan, McAdams, Verbic, Faivre, Morris, Mayor Smith. Nay: none. Mayor Smith declared the agenda approved as presented.

D. PUBLIC PARTICIPATION

Steve Kapitan complimented Chief Petragallo on his handling of a recent, controversial arrest.

E. PRESENTATIONS

1. Adventure Works FY2019 Human Services Funding Report by Executive Director Lynette Spencer.
Ms. Spencer said the agency's work addresses children's poverty of experiences. She showed a video of "adventure therapy" and talked about the history of the agency, including accreditation of its programs and partnerships that support its success.

**F. APPOINTMENTS**

There were none.

**G. CONSENT AGENDA**

1. Minutes of the Committee of the Whole Meeting of August 12, 2019.


3. Minutes of the Special Joint Meeting of the City Council Committee of the Whole and Finance Advisory Committee of August 16, 2019.


5. Accounts Payable and Payroll through September 9, 2019 in the Amount of $1,875,953.15.

Mayor Smith read the consent agenda in its entirety.

**MOTION**

Alderman McAdams moved to approve the consent agenda. Alderman Faivre seconded.

**VOTE**

Motion carried 8-0 on roll call vote. Aye: Smith, Fagan, McAdams, Verbic, Faivre, Morris, Finucane, Mayor Smith. Nay: none. Mayor Smith declared the consent agenda passed.

**H. PUBLIC HEARINGS**

There were none.

**I. CONSIDERATIONS**


City Manager Nicklas introduced Elizabeth Hennessy, who is managing director of public finance at Raymond James. Ms. Hennessy said DeKalb's 2010B bonds become callable at the beginning of 2020. She said the City may want to refinance because interest rates are low, and this would result in significant savings without lengthening the term of repayment. Ms. Hennessy said the firm recommends a private placement in this case, saying costs would be less than a public offering.
2. Consideration of Minor Reorganizations in the Community Development and Public Works Departments.

The City Manager said he is using savings from attrition to fund the changes, and that he is seeking permission to change the City's organizational chart accordingly.

MOTION

Alderman McAdams moved to approve the change. Alderman Fagan seconded.

VOTE


J. RESOLUTIONS


Mayor Smith read the resolution by title only.

MOTION

Alderman Finucane moved to approve the resolution. Alderman Smith seconded.

Alderman Fagan left the room to recuse himself.

VOTE


2. Resolution 2019-134 Authorizing the Third and Final Renewal of the Voluntary Action Center Transit Provider Contract for a One-Year Term from October 1, 2019 through September 30, 2020 with an Allocation of State Fiscal Year 2020 State and Federal Grant Funds Not to Exceed $3,674,593.

Mayor Smith read the resolution by title only.

MOTION

Alderman Finucane moved to pass the resolution. Alderman Verbic seconded.

Alderman Smith left the room to recuse himself.
VOTE


3. Resolution 2019-135 Authorizing a Highway Authority Agreement as Prescribed by the Illinois Environmental Protection Agency with DeKalb Forge Company Regarding Previous Ground Contamination at 1832 Pleasant Street.

Mayor Smith read the resolution by title only.

MOTION

Alderman Verbic moved to pass the resolution. Alderman McAdams seconded.

VOTE


K. ORDINANCES – SECOND READING

1. Ordinance 2019-057 Authorizing a Zoning Map Amendment from the “LI” Light Industrial District to the “PD-C” Planned Development – Commercial District, and Approving a Planned Development Preliminary and Final Plan Agreement (204 N. Fourth Street and 420 Oak Street – Agora Tower – Mooney Property) (PNG Development, LLC).

Mayor Smith read the ordinance by title only.

MOTION

Alderman Morris moved to pass the ordinance. Alderman Smith seconded.

Alderman Fagan left the room to recuse himself.

VOTE


L. ORDINANCES – FIRST READING

Mayor Smith read the ordinance by title only.

MOTION

Alderman McAdams moved to pass first reading. Alderman Fagan seconded.

Steve Kapitan noted the amount of the debt, $3.9 million, is the same now as in 2010. He requested his Alderman ask whether the City has made principal and interest payments, and whether the cost of the refunding is separate from the expected savings.

Ms. Hennessy confirmed the interest payments have been paid and that the savings presented are net of the cost of refunding. She said the cost of issuance is estimated at $29,750 for the private placement approach.

VOTE


MOTION

Alderman Finucane moved to waive second reading and approve the ordinance. Alderman Faivre seconded.

VOTE

Motion carried 8-0 on roll call vote. Aye: Smith, Fagan, McAdams, Verbic, Faivre, Morris, Finucane, Mayor Smith. Nay: none. Mayor Smith declared the ordinance passed.

M. REPORTS AND COMMUNICATIONS

1. Council Member Reports

Alderman Finucane congratulated the DeKalb Barbs for winning the First National Challenge.

Alderman Fagan said he'd rather be talking about housing issues than the Clerk's position.

Alderman Faivre announced the upcoming DeKalb Corn Classic race, and said teams are new for this year.

Mayor Smith announced upcoming Rotary and Annie Glidden group events.

2. City Clerk Report
City Council Regular Meeting Minutes
September 9, 2019
Page 6 of 7

Clerk Fazekas observed that a comment made earlier, about how much more quickly
people can obtain permits in a neighboring community, necessarily must have referred to
a municipality having a full-time elected clerk with a deputy.

3. City Manager Report

The City Manager made no report.

N. EXECUTIVE SESSION PURSUANT TO 5 ILCS (120/2)

1. Personnel as Provided for in 5 ILCS 120/2(c)(1).

2. Executive Session Minutes as Provided for in 5 ILCS 120/2(c)(21).

3. Pending or imminent litigation.

Mayor Smith read each item to be authorized for executive session.

MOTION

Alderman Faivre moved to recess for executive session. Alderman Fagan seconded.

VOTE

Motion carried 8-0 on roll call vote. Aye: Fagan, McAdams, Verbic, Faivre, Morris,
Finucane, Smith, Mayor Smith. Nay: none. Mayor Smith declared a recess at 7:49 p.m.

O. ADJOURNMENT

MOTION

Following adjournment of the executive session, Alderman McAdams moved to adjourn
the Regular Council Meeting at 8:22 p.m. Alderman Verbic seconded.

VOTE

Motion carried on majority voice vote. Mayor Smith declared adjournment at 8:22 p.m.
DEKALB CITY COUNCIL AGENDA
SEPTEMBER 9, 2019

DeKalb Municipal Building
City Council Chambers
Second Floor
200 S. Fourth Street
DeKalb, Illinois 60115

REGULAR CITY COUNCIL MEETING
6:00 P.M.

A. CALL TO ORDER AND ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. APPROVAL OF THE AGENDA

D. PUBLIC PARTICIPATION

E. PRESENTATIONS
   1. Adventure Works FY2019 Human Services Funding Report by Executive Director Lynette Spencer.

F. APPOINTMENTS
   None.

G. CONSENT AGENDA
   1. Minutes of the Committee of the Whole Meeting of August 12, 2019.
   3. Minutes of the Special Joint Meeting of the City Council Committee of the Whole and Finance Advisory Committee of August 16, 2019.
   5. Accounts Payable and Payroll through September 9, 2019 in the Amount of $1,875,953.15.

H. PUBLIC HEARINGS
   None.

Assistive services available upon request.
Hearing assistance devices are available in the Information & Technology Office, which is located to the right, just before entering Council Chambers.
I. CONSIDERATIONS


2. Consideration of Minor Reorganizations in the Community Development and Public Works Departments.

J. RESOLUTIONS


2. Resolution 2019-134 Authorizing the Third and Final Renewal of the Voluntary Action Center Transit Provider Contract for a One-Year Term from October 1, 2019 through September 30, 2020 with an Allocation of State Fiscal Year 2020 State and Federal Grant Funds Not to Exceed $3,674,593.

3. Resolution 2019-135 Authorizing a Highway Authority Agreement as Prescribed by the Illinois Environmental Protection Agency with DeKalb Forge Company Regarding Previous Ground Contamination at 1832 Pleasant Street.

K. ORDINANCES – SECOND READING

1. Ordinance 2019-057 Authorizing a Zoning Map Amendment from the “LI” Light Industrial District to the “PD-C” Planned Development – Commercial District, and Approving a Planned Development Preliminary and Final Plan Agreement (204 N. Fourth Street and 420 Oak Street – Agora Tower – Mooney Property) (PNG Development, LLC).

L. ORDINANCES – FIRST READING


M. REPORTS AND COMMUNICATIONS

1. Council Member Reports
2. City Clerk Report
3. City Manager Report

N. EXECUTIVE SESSION

1. Approval to Hold an Executive Session to Discuss:
   a. Personnel as Provided for in 5 ILCS 120/2(c)(1).
   b. Executive Session Minutes as Provided for in 5 ILCS 120/2(c)(21).

O. ADJOURNMENT
CITY OF DEKALB, ILLINOIS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019
BOND ORDER

I, Bill Nicklas, the City Manager of the City of DeKalb, Illinois, acting pursuant to the authority delegated to me by Ordinance Number 2019-058 adopted by the City Council of the City on September 9, 2019 and entitled: “Ordinance Authorizing the Issuance of Not to Exceed $4,000,000 General Obligation Refunding Bonds, Series 2019, of the City of DeKalb, Illinois” (the “Bond Ordinance”), hereby makes the following determinations with respect to the $3,925,000 General Obligation Refunding Bonds, Series 2019 (the “2019 Bonds”) of the City authorized to be issued pursuant to the Bond Ordinance:

1. The 2019 Bonds shall be issued in the principal amount of $3,925,000 and shall be designated: “General Obligation Refunding Bonds, Series 2019”.

2. The 2019 Bonds shall be dated, shall mature, shall bear interest at the rate per annum, shall be subject to mandatory sinking fund redemption and shall otherwise be as described in Schedule X attached hereto and hereby made a part of this Bond Order.

3. No 2019 Bond matures later than January 1, 2028 or bears interest at a rate exceeding five percent per annum.

4. The 2019 Bonds are awarded to J.P. Morgan Chase Bank, N.A., at their price offered of $3,925,000.

5. The authorized denominations of the 2019 Bonds shall be $100,000 and any integral multiple of $5,000 in excess of $100,000.

6. All of the $3,905,000 outstanding principal amount of the General Obligation Bonds, Series 2010B, of the City (the “Prior Bonds”) shall be refunded.

7. The net present value debt service savings to be obtained by the City as a result of the refunding of the Prior Bonds is $523,038.33, being 13.394% of the principal amount of the Prior Bonds.

8. Amalgamated Bank of Chicago is appointed as the Bond Registrar and Paying Agent for the 2019 Bonds.

IN WITNESS WHEREOF, I have hereunto set my hand, this 1st day of October, 2019.

City Manager
SCHEDULE X

CITY OF DEKALB, ILLINOIS
$3,925,000 General Obligation Refunding Bonds, Series 2019

Authorization: Section 6 of Article VII of the Illinois Constitution of 1970 and Ordinance Number 2019-058 adopted by the City Council of the City on September 9, 2019 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $4,000,000 General Obligation Refunding Bonds, Series 2019, of the City of DeKalb, Illinois" (the "Bond Ordinance").

Form: Fully registered bonds in the denominations of $100,000 or any multiple of $5,000 in excess of $100,000.

Depository: None.

Date: Dated as of October 23, 2019.

Record Dates: The 15th day of the calendar month next preceding the applicable interest payment date.

Interest Rate and Payment Dates: 1.82% per annum, payable on July 1, 2020 and semiannually thereafter on each January 1 and July 1.

Maturity: January 1, 2028.

Optional Redemption Provisions: None.

Mandatory Redemption Provisions: The Bonds are subject to mandatory redemption prior to maturity on January 1 of the years 2021 to 2027, both inclusive, in part and by lot, at a redemption price of par and in the following principal amounts:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$20,000</td>
</tr>
<tr>
<td>2022</td>
<td>35,000</td>
</tr>
<tr>
<td>2023</td>
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<td>885,000</td>
</tr>
<tr>
<td>2026</td>
<td>905,000</td>
</tr>
<tr>
<td>2027</td>
<td>920,000</td>
</tr>
</tbody>
</table>

The final principal amount of the Bonds maturing on January 1, 2028, is $105,000.
CERTIFICATE OF ABATEMENT
REGARDING GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2019, OF THE CITY OF DEKALB, ILLINOIS

I, Bill Nicklas, the City Manager of the City of DeKalb, Illinois, acting pursuant to paragraph (D) of Section 9 of Ordinance No. 2019-058 adopted by the City Council of the City on September 9, 2019 and entitled: “Ordinance Authorizing the Issuance of Not to Exceed $4,000,000 General Obligation Refunding Bonds, Series 2019, of the City of DeKalb, Illinois” (the “Bond Ordinance”) authorizing the issuance of $3,925,000 General Obligation Refunding Bonds, Series 2019, of the City described in the City of DeKalb, Illinois, General Obligation Refunding Bonds, Series 2019 Bond Order (the “Bonds”) hereby direct the partial abatement of the taxes levied pursuant to the Bond Ordinance, as hereinafter described.

For each of the levy years specified are (a) the taxes levied pursuant to the Bond Ordinance, (b) the amount of such taxes to be abated pursuant to this Certificate of Abatement and (c) the exact amount of those taxes to be levied to pay the principal of and interest on the Bonds.

<table>
<thead>
<tr>
<th>Levy Year</th>
<th>Taxes Levied by the Bond Ordinance</th>
<th>Amount of Taxes Abated</th>
<th>Amount of Taxes Required to be Produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$170,000</td>
<td>$65,071.72</td>
<td>$104,928.28</td>
</tr>
<tr>
<td>2020</td>
<td>170,000</td>
<td>63,929.00</td>
<td>106,071.00</td>
</tr>
<tr>
<td>2021</td>
<td>300,000</td>
<td>44,566.00</td>
<td>255,434.00</td>
</tr>
<tr>
<td>2022</td>
<td>980,000</td>
<td>42,933.00</td>
<td>937,067.00</td>
</tr>
<tr>
<td>2023</td>
<td>980,000</td>
<td>43,767.00</td>
<td>936,233.00</td>
</tr>
<tr>
<td>2024</td>
<td>980,000</td>
<td>39,874.00</td>
<td>940,126.00</td>
</tr>
<tr>
<td>2025</td>
<td>980,000</td>
<td>41,345.00</td>
<td>938,655.00</td>
</tr>
<tr>
<td>2026</td>
<td>170,000</td>
<td>63,089.00</td>
<td>106,911.00</td>
</tr>
</tbody>
</table>

IN WITNESS WHEREOF, I have hereunto set my hand, this 1st day of October, 2019.

[Signature]
City Manager
DEKALB COUNTY FILING CERTIFICATE

STATE OF ILLINOIS )
) SS
COUNTY OF DEKALB )

I, Douglas J. Johnson, County Clerk of DeKalb County, Illinois, do hereby certify that on the 8th day of October, 2019, there was filed in my office Ordinance No. 2019-058 of the City of DeKalb, Illinois entitled:

ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $4,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019, OF THE CITY OF DEKALB, ILLINOIS

which ordinance levies taxes in the City of DeKalb for the purpose of paying principal of and interest on the General Obligation Refunding Bonds, Series 2019, of the City, described in said ordinance.

I further certify that on the aforesaid date there was filed in my office a bond order signed by the City Manager of the City and entitled:

CITY OF DEKALB, ILLINOIS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019 BOND ORDER

I further certify that on the aforesaid date there was filed in my office a certificate signed by the City Manager of the City and entitled:

CERTIFICATE OF ABATEMENT REGARDING GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019, OF THE CITY OF DEKALB, ILLINOIS

WITNESS my official signature and the seal of DeKalb County, this 8th day of October, 2019.

[Signature]
County Clerk of DeKalb County, Illinois

(SEAL)
CERTIFICATE

To All To Whom These Presents Shall Come, Greeting:

I, JESSE WHITE, Secretary of State of the State of Illinois, do hereby certify that the records of this office indicate that the City of DeKalb, DeKalb County, Illinois, is a Home Rule Unit of Government.

I further certify that said Home Rule form of Government is in full force and effect October 24, 2012.

IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois. Done at the City of Springfield, Illinois on October 24, 2012.

Jesse White
SECRETARY OF STATE
ORGANIZATION CERTIFICATE

I, Lynn A. Fazekas, City Clerk of the City of DeKalb, a municipal corporation and a home rule unit of the State of Illinois situate in the County of DeKalb, hereby certify that:

1. The members of the City Council of the City during the period from September 1, 2019 to date, the dates of their election or appointment and the dates of the beginning and ending of their terms of office, are as follows:

<table>
<thead>
<tr>
<th>Alderman</th>
<th>Date of Election or Appointment</th>
<th>Term Began</th>
<th>Term Ends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carolyn Morris</td>
<td>April 2, 2019</td>
<td>May 13, 2019</td>
<td>May 8, 2023</td>
</tr>
<tr>
<td>Bill Finucane</td>
<td>April 4, 2017</td>
<td>May 8, 2017</td>
<td>May 10, 2021</td>
</tr>
<tr>
<td>Tracy Smith</td>
<td>April 2, 2019</td>
<td>May 13, 2019</td>
<td>May 8, 2023</td>
</tr>
<tr>
<td>Pat Fagan</td>
<td>April 4, 2017</td>
<td>May 8, 2017</td>
<td>September 26, 2019 (Resigned)</td>
</tr>
<tr>
<td>Scott McAdams</td>
<td>April 2, 2019</td>
<td>May 13, 2019</td>
<td>May 8, 2023</td>
</tr>
<tr>
<td>Mike Verbic</td>
<td>April 4, 2017</td>
<td>May 8, 2017</td>
<td>May 10, 2021</td>
</tr>
<tr>
<td>Tony Faivre</td>
<td>April 2, 2019</td>
<td>May 13, 2019</td>
<td>May 8, 2023</td>
</tr>
</tbody>
</table>

2. The officers of the City during the period from September 1, 2019 to date, the dates of their election or appointment and the beginning and ending of their terms of office, are as follows:

<table>
<thead>
<tr>
<th>Office</th>
<th>Date of Election or Appointment</th>
<th>Term Began</th>
<th>Term Ends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor: Jerry Smith</td>
<td>April 4, 2017</td>
<td>May 8, 2017</td>
<td>May 2021</td>
</tr>
<tr>
<td>City Manager: Bill Nicklas</td>
<td>December 18, 2018</td>
<td>January 1, 2019</td>
<td>Indefinite</td>
</tr>
<tr>
<td>City Clerk: Lynn A. Fazekas</td>
<td>August 13, 2018</td>
<td>August 13, 2018</td>
<td>May 10, 2021</td>
</tr>
<tr>
<td>Executive Assistant: Ruth A. Scott</td>
<td>March 17, 2014</td>
<td>March 17, 2014</td>
<td>Indefinite</td>
</tr>
<tr>
<td>City Attorney: John Donahue</td>
<td>April 22, 2019</td>
<td>April 22, 2019</td>
<td>Indefinite</td>
</tr>
<tr>
<td>Finance Director and Treasurer: Raymond Munch</td>
<td>November 13, 2017</td>
<td>November 13, 2017</td>
<td>Indefinite</td>
</tr>
</tbody>
</table>
All of the foregoing officers required to give bond or undertaking have filed such bond or undertaking in time, form and amount as required by law and have otherwise duly qualified as such officers.

3. The corporate name of the City is the “City of DeKalb.”

4. The City was incorporated by virtue of an Act of the General Assembly of the State of Illinois, approved February 2, 1861.

5. Regular meetings of the City Council are held on the second and fourth Monday of each month in the Council Chambers at City Hall. The Committee of the Whole meetings are at 6:00 p.m. The Regular Meetings of the City Council are at 7:00 p.m. All meetings of the City Council in the City of DeKalb, Illinois, including committees and subcommittees, are open to the public, subject to the exceptions provided for in 5 Illinois Compiled Statutes 120; and public notice of all such meetings and of the agenda of all such meetings is given pursuant to the provisions of such Act.

6. As determined by the 2010 U.S. Census of Population, the City has a population in excess of 25,000 and is a home rule unit under Section 6 of Article VII of the Illinois Constitution of 1970.

7. No proceedings have been had or taken by the City or the voters thereof to alter the home rule status of the City or to confer upon the voters or property owners of the City rights of petition or referendum not otherwise applicable to home rule units.

8. “The Daily Chronicle” is a newspaper of general circulation in the City.

9. Attached hereto is a complete copy of Chapter 2 of the Municipal Code of the City of DeKalb, as amended to the date hereof, relating to conduct of meetings of the City Council. There are no other provisions of the Municipal Code relating to the adoption of bond ordinances or limiting the issuance of general obligation debt of the City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this 23rd day of October, 2019.

[Signature]
City Clerk
CHAPTER 2
CITY COUNCIL

LATEST REVISION: February 25, 2019 (Ordinance 2019-006)

SECTIONS:
2.01 CITY COUNCIL.
2.02 MAYOR, VOTING POWER.
2.03 FILLING ALDERMEN VACANCIES.
2.04 COUNCIL MEETINGS.
2.05 SPECIAL MEETINGS.
2.06 COMMITTEE OF THE WHOLE MEETINGS.
2.07 DELETED.
2.08 DELETED.
2.09 AGENDA.
2.10 ORDINANCE AND RESOLUTION PROCEDURE.
2.11 MATTERS OF PUBLIC CONCERN.
2.12 RULES OF ORDER AND PROCEDURE.
2.13 MATTERS REQUIRING VOTE GREATER THAN MAJORITY.
2.14 CITY COUNCIL EXPENSES.
2.15 ELECTED OFFICIALS SALARY REVIEW.

2.01 CITY COUNCIL.

With the exception of stating voting requirements, as reflected in Section 2.02, the term “The City Council” shall mean the Mayor and seven Aldermen. One Alderman shall be elected from each ward of the City. Terms of the Mayor and Aldermen shall be for four years, with the terms of the Aldermen staggered, so that at the regular election for Aldermen held in the Spring of 1973, one Alderman shall be elected from each odd numbered ward for a term of two years and one Alderman shall be elected from each even numbered ward for a term of four years; and thereafter, their successor Alderman shall be elected for a term of four years. The Mayor shall preside at all meetings of the Council. The terms of elected municipal officials shall commence at the first Special meeting or the first Regular meeting of the corporate authorities during the month of May following the official proclamation of the results of the regular municipal election at which the officers were elected.

2.02 MAYOR, VOTING POWER.

The Mayor of the City of DeKalb shall vote where authorized or required under 65 ILCS 5/5-3-5. The Mayor may recuse himself from any action where such recusal is required or permitted by law. Any Alderman serving as Acting Mayor or Mayor Pro Tem shall be
authorized to vote as an Alderman of the City but shall not be authorized to vote utilizing the powers of the Mayor under this Section 2.02.

2.03 FILLING ALDERMEN VACANCIES.

Vacancies in the office of Alderman in the City of DeKalb shall be filled pursuant to the provisions of 65 ILCS 5/3.1-10-50.

2.04 COUNCIL MEETINGS.

a) Regular meetings of the City Council shall be held in the Council Chambers of the DeKalb Municipal Building on the second and fourth Mondays of each and every month, with the Committee of the Whole meeting commencing at 5:00 p.m., and with the City Council meeting occurring thereafter, not commencing before 6:00 p.m. The City Council shall annually approve a meeting schedule outlining the anticipated Regular meetings for each year in accordance with the requirements of the Open Meetings Act ("the Act"). The City Council reserves the right to alter the date, time or location of City Council meetings from time to time and reserves the right to schedule additional or Special meetings, provided that the public receives notice of such alternate time or location in accordance with the requirements of the Act.

b) At all Regular meetings of the City Council, the Council shall proceed to the business before them, which shall be conducted in the order as listed on the agenda for the meeting. Said agenda shall commence with Roll Call, the recital of the Pledge of Allegiance, the Approval of the Agenda and Public Participation, and shall conclude with Adjournment. The Agenda may also include other aspects of City business that may be necessary or advisable. The order of said items shall be determined by the City Manager, giving priority to public transparency, convenience to meeting participants and attendees, and the relationship between various items listed on the agenda.

c) The City Manager may place any item on the Consent Agenda for consideration of approval. Each member of City Council shall have the right to remove any matter from the Consent Agenda at a City Council meeting and may entertain requests from the public for such removal. Items so removed during a meeting shall be moved on the agenda for separate consideration. Each item remaining on the Consent Agenda shall be passed in an omnibus fashion and shall require the concurrence of a majority vote of the Aldermen holding office, with the right of the Mayor to vote as otherwise provided by law. A single motion may be utilized to both approve the consent agenda listing and approve the individual items contained therein.

d) The public shall have the right to speak to the City Council. Citizen Comments shall be limited to comments addressed to the Council and the public shall not engage in debate with the members of the Council.

1. Persons wishing to offer public comment shall have the right to speak under Public Participation and may speak to any item germane to the City Council or public
concerns, including but not limited to items listed for consideration or approval on the agenda. Public Participation shall also be utilized for persons wishing to speak to an item listed on the consent agenda, or to any topic not listed as an item for separate action. Persons wishing to comment under Public Participation shall submit a Speaker Request Form prior to the start of the meeting. In addition, persons wishing to offer public comment shall have the right to speak at the time of presentation of any item for separate action. Persons wishing to so comment shall provide a speaker request form prior to presentation of the item in question and shall be afforded the opportunity to comment after a motion is made and prior to the staff presentation. No person providing public comment shall be permitted to address any individual item more than once during the meeting (e.g. a person cannot address an item for separate action under Public Participation and at time of presentation of the item).

2. In the case of any agenda item presented to the Council for consideration or approval, any person who has a unique, direct, and personal interest or standing relative to such item (e.g. an applicant for a license or a petitioner for a rezoning) may also request to be recognized to speak at the time that the item is presented. Such person shall provide their request to be recognized to the Mayor in advance of the meeting, and approval of such request shall be in the Mayor's sole discretion. If such person fails to make a request or if the request is not approved, such person may speak under Public Participation but may not be called upon to speak to the item at time of its presentation at the discretion of the Mayor.

3. The Council shall have no obligation to respond to public comments. Public comments shall be limited to three (3) minutes per speaker, with that limitation applying per time addressing the Council (with the right to address the Council only one time per agenda item or topic). Speaker Request Forms shall be completed by each member of the public wishing to speak to the City Council and submitted to the City Clerk before the time at which their comment is permitted under these regulations.

4. Where public comment is provided as a component of a public hearing required by applicable law, the three-minute speaking limitation shall not be enforced during the public hearing, but the presiding officer at the public hearing shall have the ability to limit duplicative, cumulative or irrelevant testimony. Testimony received at a public hearing must be limited in scope to matters germane to the conduct of that public hearing. Persons who engage in violations of these regulations shall be asked to conform to the regulations or discontinue their comments and, failing such remedial action, may be removed from a meeting.

5. The provisions of this subsection (d) shall be read to apply to City Council meetings of the City of DeKalb, and also to meetings of all public committees and subsidiary public bodies of the City Council or City of DeKalb including but not limited to the Planning and Zoning Commission (and in such instances, references to the City Council shall be deemed to refer to the subsidiary body). The adoption of this
subsection (d) shall be deemed to expressly constitute the adoption of these rules as rules binding upon the conduct of any meeting of a public body of the City or City Council. Any agenda of any such public body shall be deemed, by the adoption of this subsection (d) to provide an opportunity for public comment in accordance with these regulations, whether or not such opportunity is expressly designated via the public body's meeting agenda. Persons seeking the opportunity to provide public comment shall notify the clerk or presiding officer at the meeting at which they seek to comment.

e) There shall be a second reading of all ordinances at the next Regular meeting following the first reading. The requirements of this subsection may be waived by the affirmative vote of two-thirds (2/3) of the members of the City Council present at the meeting as to any particular ordinance. The City Council may waive second reading and approve an item by virtue of a single motion and vote.

2.05 SPECIAL MEETINGS.

a) Special meetings of the Council may be called at any time by the Mayor, or by any three (3) Aldermen, of which Special meeting notice in writing shall be given to each Alderman who has not joined in calling such meeting. Such notice shall be issued by the City Manager or designee thereof. Notice of Special meetings shall be provided to each member of City Council not less than forty-eight (48) hours prior to the time of the meeting and shall be posted in accordance with State Statutes. Special meetings may not be called on legal holidays provided for in 205 ILCS 630/17.

b) Discussion, Planning and Vision Meetings: In addition to all other meetings contemplated herein, the City Council shall conduct one or more special meetings annually for the purpose of discussion, planning and visioning. One or more of the meetings may be conducted as a City Council retreat, if acceptable to the City Council. Such meetings shall be conducted pursuant to the Open Meetings Act. The Council shall determine the date and time of such meeting(s), and the City Manager shall prepare an agenda for the same. No votes other than procedural votes (e.g. approval of agenda, adjournment) shall be taken at such meetings, and no other action items shall be voted upon or approved.

2.06 COMMITTEE OF THE WHOLE MEETINGS.

a) The Agenda for Committee of the Whole meetings shall be prepared by the City Manager considering input from the Mayor and Council and shall be prepared and released by 7:00 p.m. on Thursday preceding the meeting.

b) The intent and purpose of the Committee of the Whole meetings shall be primarily for the purpose of receiving public comment under Public Participation, discussion of consideration items brought before the Council and various matters which require a presentation and/or upon which discussion is anticipated, but not for the passage of Ordinances or Resolutions. The Council may discuss items and may make motions to
provide policy direction or recommendations or to direct that items be brought back to a future City Council meeting for further consideration or approval.

c) At all Committee of the Whole meetings, the Council shall proceed to the business before them, which shall include discussion of the items before the Council, the provision of an opportunity for Public Participation or comment and may also include the conduct of an Executive Session component of the meeting.

2.07 DELETED.

2.08 DELETED.

2.09 AGENDA.

a) Any two (2) or more City Council members desiring that a matter be placed on a Regular or Committee of the Whole meeting agenda for consideration by the City Council shall advise the City Manager not later than 12:00 Noon on the Monday preceding a Council meeting. They shall supply the City Manager with a copy of all relevant materials to be considered by the City Council. The City Manager shall include any such matter as a consideration item on the requested agenda.

b) Any person desiring that a matter be placed on a Regular or Committee of the Whole meeting agenda for consideration by the City Council, shall file a written request with the City Manager along with a copy of all accompanying materials, not later than 12:00 Noon on the Monday preceding a Council meeting. Inclusion of any such matter on the agenda shall be at the discretion of the City Manager. Placement of matters on the Consent Agenda shall be at the discretion of the City Manager. The Agenda shall be prepared and released by 7:00 p.m. on the Thursday preceding the Regular or Committee of the Whole meeting.

2.10 ORDINANCE AND RESOLUTION PROCEDURE.

a) All proposed ordinances and resolutions shall be in written form and distributed to members of the City Council prior to the meeting being called to order.

b) All ordinances and resolutions shall be read by title only unless the full reading is requested by one of the members of the City Council. The Mayor shall not be required to read the entirety of an item title, provided that the alphanumeric listing from the agenda is utilized along with a reasonable description of the item in question.

2.11 MATTERS OF PUBLIC CONCERN.

Nothing in the provisions of this Chapter shall be construed to be a limitation on the right of any member of the Council to bring to the attention of the Council at any meeting of the Council, at the time for Council reports, any matter of public concern.
2.12 RULES OF ORDER AND PROCEDURE.

a) The following Rules of order and procedure shall govern the deliberations and meetings of the City Council and the committees thereof.

b) A majority of the corporate authorities shall constitute a quorum to do business. The Mayor is to be counted.

c) The Mayor shall take the chair promptly at the hour set for any meeting and call the Council to order, and if a quorum of the corporate authorities are not present, those present shall adjourn to some time to be fixed by the members present, and it shall be the duty of the City Clerk to notify those members not present of the time to which such adjournment is had.

d) The Mayor shall be the presiding officer at all meetings of the Council.

e) In the absence of the Mayor, the City Clerk shall call the Council to order. A majority vote of the Aldermen present shall select an Alderman to serve as Temporary Chair of the meeting who shall have only the power of a presiding officer and a right to vote in the capacity as Alderman.

f) During the absence of the Mayor because of an incapacity to perform duties, the Council shall elect one of its members Mayor Pro Tem of the Council and said person shall act as presiding officer of the Council. The Mayor Pro Tem shall, during the absence or disability, perform the duties and possess all of the rights and powers of the Mayor, but shall vote only as an Alderman and not as an Alderman and as Mayor.

g) Duties of the Presiding Officer.

1. The presiding officer shall preserve order and decorum and may speak to points of order in preference to other members and shall decide all questions of order subject to appeal. If the presiding officer refuses to allow the Aldermen to exercise their right to appeal a decision of the Chair, the Aldermen may consider and pass upon the matter in spite of the Chair's failure to grant them an appeal.

h) Duties of Members.

1. While the presiding officer is putting the question, no member shall walk across or out of the Council Chamber.

2. Every member, previous to his speaking, making a motion or seconding the same, shall address himself to the presiding officer and say: "Mayor", and shall not proceed with his remarks until recognized and named by the Chair. He or she shall confine himself to the question under debate avoiding personalities and refraining from impugning the motives of any other member's argument or vote.
3. When two or more members address the Chair at the same time, the presiding officer shall name the member who is first to speak.

4. While a member is speaking, no member shall hold any private discussion, nor pass between the speaker and the Chair.

5. The Aldermen may, by two-thirds vote, expel an Alderman for unduly disruptive conduct. Such Alderman may not be expelled a second time for the same offense.

6. No member shall eat, smoke or drink any alcoholic beverage during a Council meeting.

7. If a member has a direct financial interest or other interest that creates a legally recognizable conflict of interests, the member shall leave the dais prior to consideration of the item. The member shall not be counted towards a quorum for that portion of the meeting and shall not be reflected in any form of voting that is conducted with regard to that portion of the meeting. The member may address the Council during that portion of the meeting as a member of the public but shall expressly indicate that his comments are limited to being a member of the public (and shall be subject to all rules applicable to public comments). Following the conclusion of that item of business, the member shall be entitled to rejoin the dais and be included in the quorum and any further discussion or action items.

i) Debate. No member shall speak more than once on the same question until all other aldermen shall have had an opportunity to speak; provided, however, that the proponent of the matter under consideration shall have the right to open and close debate. No member shall speak longer than five (5) minutes at any one time, except by consent of the Council; and in closing debate on any question, as above provided, the speaker shall be limited to five (5) minutes, except by special consent of the Council.

j) Appeals from Decisions of the Chair. Any member may appeal to the Council from a ruling of the Chair, and if the appeal is seconded, the member making the appeal may briefly state his reason for the same and the Chair may briefly explain its ruling; but there shall be no debate on the appeal and no other member shall participate in the discussion. The Chair shall then put the question, "Shall the decision of the Chair be sustained?" If a majority of the members present vote "No", the decision of the Chair shall be overruled; otherwise, it shall be sustained.

k) Making, Seconding and Withdrawing Motions: Any Alderman present may make a motion at an appropriate time by affirmatively and expressly indicating the intent to make a motion. In circumstances where the Mayor has requested a motion in accordance with the stated motion or approval proposed by an agenda item, a motion shall be made by stating "so moved." In circumstances where alternate language is proposed for a motion, the motion shall be made by stating, "I move that," followed by the text of the motion. A second to any motion shall be made only by saying "second" or, "I second", and speaking to a motion shall not constitute a second. If the maker of
the motion desires to withdraw a motion, he or she may do so. The seconder of the motion may either withdraw the second or may him or herself renew the motion and seek a new second.

l) Division of Questions. If any question under consideration contains several distinct propositions, the Council, by a majority vote of the members present, may divide such question.

m) Record of Motions. In all cases where a resolution or motion is entered in the journal, the name of the member moving and seconding the same shall be entered.

n) Taking and Entering the Votes; Explanation of Votes. The "yeas" and "nays" upon any question shall be taken and entered in the journal. When the Clerk has commenced to call the roll of the council for the taking of a vote by "yeas" and "nays", all debate on the question before the Council shall be deemed concluded and during the taking of the vote, a member shall be permitted to briefly explain his or her vote and shall respond to the calling of his name by the Clerk by answering "yea" or "nay", as the case may be.

o) Announcement and Changes of Votes. The result of all votes by "yeas" and "nays" shall be announced by the Clerk, and no vote shall be changed after the Chair has declared the passage or failure of the item voted upon.

p) Reconsideration.

1. A vote or question may be reconsidered at any time during the same meeting, or at the first Regular meeting held thereafter. A motion for reconsideration, once having been made and decided in the negative, shall not be renewed, nor shall a motion to reconsider be reconsidered. No motion to reconsider the approval or denial of the recommendation of an advisory body required to hold public hearings shall be entertained except at the same meeting at which the original action was taken or after the matter has been referred to the advisory body for a further hearing and recommendation.

2. A motion to reconsider must be made by a member who voted on the prevailing side of the question to be reconsidered, unless otherwise provided by law. Any member may second the motion.

3. When a motion for reconsideration is voted upon, a roll-call vote on said motion shall be taken. Approval of a motion for reconsideration shall only require a simple majority of City Council, regardless of the vote required to change the underlying action. The vote on a motion for reconsideration shall only determine whether the item or action in question should be reconsidered and shall not redetermine the item or action. If a motion for reconsideration fails, the underlying action shall be unchanged. If the motion for reconsideration passes, the underlying item or action shall be reconsidered in a separate vote. Passage or approval of the item or action shall require the affirmative vote originally required for such action (e.g. a vote that
originally required a majority shall require a majority, a vote that originally required a supermajority shall require a supermajority).

q) The Minutes. The Clerk shall keep the minutes of the Council meetings. The minutes of each Council meeting shall be approved not later than 30 days after the meeting or at the Council’s second subsequent Regular meeting, whichever is later. The Clerk’s draft of the minutes may be amended at any time to correctly reflect the view of the legislative body as to the events which occurred. The Clerk shall be responsible for recording and keeping record of all meetings of Council where required by law. In the absence of the Clerk and Deputy Clerk, the Council may appoint a recording secretary to assume said duties.

r) Style of Ordinances. The style of all ordinances shall be: "BE IT ORDAINED BY THE CITY COUNCIL of...", as is provided by Statutes.

s) "Aye" or "Nay" Vote. The ayes and nays shall be taken upon the passage of all ordinances and on all propositions to create any liability against the City, or for the expenditure or appropriation of its money, and in all other cases at the request of any member of the Council; and such vote shall be entered in the minutes, as is provided by Statutes.

t) Approval or Veto. All resolutions and motions (1) which create any liability against the City, or (2) which provide for the expenditure or appropriation of its money, or (3) to sell any City property, and all ordinances passed by the Council shall be deposited with the City Clerk. If the Mayor approves of them, the Mayor shall sign them. Those of which the Mayor disapproves the Mayor shall return to the Council with the Mayor’s written objections, at the next Regular meeting of the Council occurring not less than five (5) days after their passage. The Mayor may disapprove of any one or more sums appropriated in any ordinance, resolution or motion making an appropriation, and, if so, the remainder shall be effective. However, the Mayor may disapprove entirely of an ordinance, resolution or motion making an appropriation. If the Mayor fails to return any ordinance or any specified resolution or motion with the Mayor’s written objections, within the designated time, it shall become effective despite the absence of the Mayor’s signature.

u) Every resolution and motion specified above, and every ordinance, which is returned to the Council by the Mayor shall be reconsidered by the Council. If, after such reconsideration, two-thirds (2/3) of all the Aldermen then holding office on the City Council agree to pass an ordinance, resolution or motion, notwithstanding the Mayor’s refusal to approve it, then it shall be effective. The vote on the question of passage over the Mayor’s veto shall be by ayes and nays and shall be recorded in the journal.

v) Record of Ordinances. The Clerk shall keep a record of all ordinances passed in an ordinance book for such purpose.
w) Publication. All ordinances imposing any penalty for a violation thereof or making any appropriation shall be published as required by Statutes, either in a newspaper or in pamphlet form, in which case, the ordinance in its pamphlet form shall be displayed for a reasonable period in a public place in the City Hall.

x) Time of Taking Effect. No ordinance which must be published to comply with the foregoing section shall go into effect until ten (10) days after it is so published unless a statement of the urgency of the ordinance is contained in it and it achieves passage by a two-thirds vote of the members of the corporate authorities then holding office. In all other cases, the ordinances shall go into effect upon the passage thereof, as provided by Statutes, even though the operation of the ordinance may not take effect until a later date.

y) Neither the Mayor, nor any Council member, employee or any member of a committee, commission or board shall disclose any information which was discussed or presented at any meeting which was closed to the public in accordance with the Open Meetings Act, 5 ILCS 120/1, et seq., unless one of the following conditions exist:

1. That the disclosure of such information occurred after the public body determined that the minutes or portions thereof no longer required confidential treatment and were available for public inspection.

2. That the disclosure of such information was necessarily incident to the performance of the person's job or duties.

3. That the disclosure of such information was made to the State's Attorney in the good faith belief that provisions of the Open Meetings Act were not complied with.

z) Adoption of Robert's "Rules of Order Revised". The rules of parliamentary practice comprised in the latest published edition of Robert's "Rules of Order Revised" shall govern the Council in all cases to which they are applicable. Robert's Rules are adopted pursuant to the City's home rule authority and shall govern except where they are expressly superseded by the Statutes or law of the State. The provisions outlined in this Chapter 2 shall supersede Robert's Rules where any inconsistency exists.

aa) Temporary Suspension of Rules; Amendment of Rules. These rules contained in this Section, "Rules of Order and Procedure," may be temporarily suspended by a vote of two-thirds of all the Aldermen entitled by law to be elected, and shall not be repealed, altered or amended, unless by concurrence of two-thirds of all the Aldermen entitled by law to be elected.

ab) Authority of the Chair: The chair of any meeting shall be authorized to suspend comments by or to interrupt any speaker who engages in any disruptive, insulting or unlawful behavior, and to suspend all or any part of the Rules for Public Comment, to the extent permitted by law. The chair shall also be permitted to exercise any authority permitted under other sections of the City Code, the Illinois Municipal Code, or Roberts
Rules of Order. The chair shall be permitted to promulgate other rules as deemed necessary to prevent duplicative comments or to ensure that comments received relate to public business of the City, or the topic(s) or issue(s) then under discussion.

2.13 MATTERS REQUIRING VOTE GREATER THAN MAJORITY.

a) None of the following powers shall be exercised by an ordinance or resolution of the City Council unless passed by a vote of three-fourths of the corporate authorities of the City of DeKalb then holding office:

1. The vacating of any street or alley;

2. The conveying, leasing, mortgaging, or encumbering in any way of any real estate. However, the corporate authorities shall have the power to authorize any municipal officer to make leases for terms not exceeding two years by majority vote. This provision shall not apply to any real estate acquired by the City of DeKalb as the Local Public Agency pursuant to the Tax Increment Allocation Redevelopment Act 65 ILCS 5/11-74-4-1. The sale, lease, mortgaging or encumbering of real property may be done without advertising for bids.

b) This Section, “Matters Requiring Vote Greater than Majority,” shall not be amended except by a vote of three-fourths of the corporate authorities of the City of DeKalb then holding office.

2.14 CITY COUNCIL EXPENSES.

a) No advances or reimbursements for expenses to the Mayor or a member of the City Council for activities not previously and specifically authorized in the annual budget or by other City Council action may be approved by the City Manager or the Comptroller/Treasurer without authorization of the City Council. City Council members who receive City Council authorization to incur travel and conference expenses shall consult with the City Manager regarding allowable expenses and proper procedures prior to incurring any expense. No expense shall be reimbursed except in accordance with then-applicable City policies and procedures, as well as applicable state or federal law.

b) The Mayor and City Council members shall present an expenses claim against the City and file receipts and/or a complete itemized statement with the Finance Director for any money expended by such member. The Mayor and/or City Council members receiving travel advances shall, within five (5) working days of the completion of their travel, file receipts and/or a complete itemized statement with the Comptroller/Treasurer, for all monies expended. If a receipt for any expenditure is not included, an explanation as to why the receipt is not included shall be provided with the statement. All monies that are not expended or that are not otherwise accounted for under the provisions of this Section shall be returned along with the itemized statement.
2.15 ELECTED OFFICIALS SALARY REVIEW.

The City Council shall review the salary for the Mayor and City Council at the last regularly scheduled Council meeting in June, preceding a general municipal election.
ORDER TO AUTHENTICATE AND DELIVER BONDS

October 23, 2019

Amalgamated Bank of Chicago
Chicago, Illinois

Gentlemen:

The City of DeKalb, Illinois (the “City”) does hereby deliver to you, duly executed on behalf of the City, the $3,925,000 General Obligation Refunding Bond, Series 2019, of the City described in Schedule X attached hereto (the “Bond”) and authorized to be issued under the Bond Ordinance of the City (the “Bond Ordinance”) referred to in said Schedule X.

In accordance with the provisions of the Bond Ordinance, you are authorized and requested to authenticate the Bond as Bond Registrar under the Bond Ordinance, and pursuant to the provisions thereof to deliver the Bond to or upon the order of JPMorgan Chase Bank, N.A., the purchaser thereof, on the date hereof, provided that there shall have been paid to the City prior to or concurrently with the issuance of the Bond the agreed purchase price of the Bond.

CITY OF DEKALB

By ____________________________
Mayor
SCHEDULE X

CITY OF DEKALB, ILLINOIS
$3,925,000 General Obligation Refunding Bonds, Series 2019


Form: Fully registered bonds in the denominations of $100,000 or any multiple of $5,000 in excess of $100,000.

Depository: None.

Date: Dated as of October 23, 2019.

Record Dates: The 15th day of the calendar month next preceding the applicable interest payment date.

Interest Rate and Payment Dates: 1.82% per annum, payable on July 1, 2020 and semiannually thereafter on each January 1 and July 1.

Maturity: January 1, 2028.

Optional Redemption Provisions: None.

Mandatory Redemption Provisions: The Bonds are subject to mandatory redemption prior to maturity on January 1 of the years 2021 to 2027, both inclusive, in part and by lot, at a redemption price of par and in the following principal amounts:

<table>
<thead>
<tr>
<th>Year</th>
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</table>

The final principal amount of the Bonds maturing on January 1, 2028, is $105,000.
CERTIFICATE OF BOND REGISTRAR

Amalgamated Bank of Chicago, a bank, having a corporate trust office in the City of Chicago, Illinois and having trust powers, hereby accepts its appointment as Bond Registrar for the $3,925,000 General Obligation Refunding Bonds, Series 2019, of the City of DeKalb, Illinois (the “City”) described in Schedule X attached hereto (the “Bond”); hereby acknowledges the duties and obligations imposed upon it as Bond Registrar for the Bond under the Bond Ordinance referred to in said Schedule X and hereby certifies that:

1. There has been filed with or delivered to it the City’s order to authenticate and deliver the Bond.

2. It has on or prior to the date hereof authenticated the Bond by manually executing the certificate of authentication on the Bond.

3. The certificate of authentication is signed by its authorized employee, whose true and genuine signature appears opposite such employee’s name below:

   Name  
   
   Signature  

   CATHEY WALLS

4. It has on this date delivered the Bond so authenticated to or upon the order of JPMorgan Chase Bank, N.A., as purchaser of the Bond.

IN WITNESS WHEREOF, Amalgamated Bank of Chicago, as Bond Registrar as aforesaid, has caused this certificate to be executed on its behalf by a duly authorized officer, this 23rd day of October, 2019.

AMALGAMATED BANK OF CHICAGO  
Bond Registrar

By
SCHEDULE X

CITY OF DEKALB, ILLINOIS
$3,925,000 General Obligation Refunding Bonds, Series 2019


Form: Fully registered bonds in the denominations of $100,000 or any multiple of $5,000 in excess of $100,000.

Depository: None.

Date: Dated as of October 23, 2019.

Record Dates: The 15th day of the calendar month next preceding the applicable interest payment date.

Interest Rate and Payment Dates: 1.82% per annum, payable on July 1, 2020 and semianually thereafter on each January 1 and July 1.

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<tr>
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</tr>
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</table>

The final principal amount of the Bonds maturing on January 1, 2028, is $105,000.
OFFICERS' CLOSING CERTIFICATE

We, the undersigned officers of the City of DeKalb, a municipal corporation of the State of Illinois (the "City"), hereby certify as follows:

1. On or prior to the date hereof, the $3,925,000 General Obligation Refunding Bonds, Series 2019, of the City, described in Schedule X attached hereto (the "Bond") was executed in the name of the City by the manual signature of Jerry Smith, Mayor, and by the manual signature of Lynn A. Fazekas, City Clerk, under the official seal of the City.

2. Both of the date of such execution and on the date hereof, the undersigned were and are the duly chosen, qualified and acting officers of the City authorized to execute the Bond, holding the offices indicated by the official titles set opposite their signatures below and the seal which is impressed upon this certificate and upon the Bond is the legally adopted, proper and only official seal of the City.

3. No litigation of any nature is now pending or (to our knowledge) threatened either in State or Federal courts restraining or enjoining the authorization, issuance or delivery of the Bond or the levy or collection of the taxes pledged or to be pledged or made available to pay the principal of, interest on or redemption premium (if any) with respect to the Bond, or in any manner questioning the authority or proceedings for the authorization or issuance of the Bond, or affecting in any way the validity of the Bond, or the levy or collection of said taxes or any pledge thereof, or questioning, contesting or in any way affecting the corporate existence, boundaries or powers of the City, or the title of any of the present officers thereof to their respective offices or the validity of the Bond Ordinance referred to in said Schedule X.

4. No authorization or proceedings for the issuance of the Bond has or have been repealed, rescinded, revoked or modified and no obligations have been heretofore issued under or pursuant to such proceedings.

5. On the date hereof, we delivered the Bond to JPMorgan Chase Bank, N.A., the purchaser thereof, and at or before the time of such delivery, the City received from said purchaser the full payment price of $3,925,000 for the Bond.
IN WITNESS WHEREOF, we have hereunto set our hands and caused the seal of the City to be hereunto affixed this 23rd day of October, 2019.

(SEAL)

<table>
<thead>
<tr>
<th>Signatures</th>
<th>Official Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Signature]</td>
<td>Mayor</td>
</tr>
<tr>
<td>[Signature]</td>
<td>City Clerk</td>
</tr>
</tbody>
</table>
SCHEDULE X

CITY OF DEKALB, ILLINOIS
$3,925,000 General Obligation Refunding Bonds, Series 2019


Form: Fully registered bonds in the denominations of $100,000 or any multiple of $5,000 in excess of $100,000.

Depository: None.

Date: Dated as of October 23, 2019.

Record Dates: The 15th day of the calendar month next preceding the applicable interest payment date.

Interest Rate and Payment Dates: 1.82% per annum, payable on July 1, 2020 and semiannually thereafter on each January 1 and July 1.

Maturity: January 1, 2028.

Optional Redemption Provisions: None.

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<tr>
<td>2027</td>
<td>920,000</td>
</tr>
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The final principal amount of the Bonds maturing on January 1, 2028, is $105,000.
CERTIFICATE OF CITY ATTORNEY

I, John Donahue, hereby certify that I am a duly licensed and practicing attorney-at-law of the State of Illinois; that I am the duly appointed and acting City Attorney for the City of DeKalb (the "City"), a municipal corporation and a home rule unit of the State of Illinois; that to my knowledge no litigation of any nature is now pending or threatened in any court (either State or Federal) restraining or enjoining the authorization, issuance or delivery of the $3,925,000 principal amount of General Obligation Refunding Bonds, Series 2019, of the City, described in Schedule X attached hereto; or the levy or collection of taxes pledged or to be pledged or made available to pay the principal of, interest on or redemption premium (if any) with respect to said bonds or in any manner questioning the authority or proceedings for the authorization or issuance of said bonds, or affecting in any way the validity of said bonds, or the levy, charging or collection of said taxes or any pledge thereof, or questioning, contesting or in any way affecting the corporate existence, boundaries, organization, or powers of the City, or the title of any of the present officers thereof to their respective offices.

I further certify that no authorization or proceedings for the issuance of said bonds have been repealed, rescinded, revoked, modified or amended.

I further certify that no proceedings have been had or taken by the City or the voters thereof to alter the home rule status of the City or to impose any limits on the issuance of general obligation debt of the City, and that no such proceedings are now pending.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of October, 2019.

[Signature]
City Attorney
SCHEDULE X

CITY OF DEKALB, ILLINOIS
$3,925,000 General Obligation Refunding Bonds, Series 2019


Form: Fully registered bonds in the denominations of $100,000 or any multiple of $5,000 in excess of $100,000.

 Depository: None.

 Date: Dated as of October 23, 2019.

 Record Dates: The 15th day of the calendar month next preceding the applicable interest payment date.

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</tr>
<tr>
<td>2027</td>
<td>920,000</td>
</tr>
</tbody>
</table>

The final principal amount of the Bonds maturing on January 1, 2028, is $105,000.
TAX COMPLIANCE CERTIFICATE

I, Bill Nicklas, hereby certify that I am the duly qualified and acting City Manager of the City of DeKalb, a municipal corporation of the State of Illinois (the "Issuer"), and that I, together with other officials of the Issuer, am charged with the responsibility of issuing $3,925,000 General Obligation Refunding Bonds, Series 2019 (the "Bonds") of the Issuer. The following certifications are made pursuant to Sections 141, 148 and 149 of the Code and the applicable Regulations, including, in particular, Regulations Section 1.148-2(b), in order to establish the reasonable expectations of the Issuer on the date hereof with respect to the amount and use of the proceeds of the Bonds. I hereby confirm that all of the certifications made herein are made on behalf of the Issuer and acknowledge that they are relied on by Bond Counsel in rendering its opinion that, as of the date hereof, interest on the Bonds is excluded from the gross income of the owners thereof for Federal income tax purposes and that, as of the date hereof, the Bonds are not private activity bonds within the meaning of Section 141(a) of the Code. I also acknowledge that the continuing compliance of the Issuer with the certifications set forth below is a necessary condition for the continuing exclusion of interest on the Bonds from the gross income of the owners thereof for Federal income tax purposes.

This certification is based on facts, estimates and circumstances in existence on the date hereof. To the best of my knowledge, information and belief, the conclusions, representations and expectations set out in this certification are reasonable, and there are no facts, estimates or circumstances that would materially change such conclusions, representations and expectations.

ARTICLE I

Definitions

Capitalized terms used herein have the meanings set forth in the recitals preceding this Article I or in the Exhibit hereto entitled "Definitions." Other words and phrases used herein have the same meanings as in the Code and Regulations, unless another meaning is apparent from the context.

ARTICLE II

The Bonds; General Matters

201. Terms. The Bonds are dated, mature on the dates and in the principal amounts, and bear interest at the respective rates set forth in Schedule X attached as the Exhibit hereto entitled "Description of Bonds."

202. Purchase Price; Sources and Uses. (a) The Bonds were sold by the Issuer to the Bond Purchaser for a purchase price of $3,925,000.
(b) The following table sets forth the application of the Sale Proceeds of the Bonds:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>For deposit in the Refunding Escrow Fund to provide a cash deposit to be used to current refund Prior Bonds (the “Refunding Deposit”)</td>
<td>$3,890,921.63</td>
</tr>
<tr>
<td>To pay a portion of the Costs of Issuance of the Bonds (the “Issuance Costs”)</td>
<td>34,078.37</td>
</tr>
</tbody>
</table>

203. **No Federal Guaranty.** The Bonds are and will be in no part guaranteed, directly or indirectly, by the United States or any of its agencies or instrumentalities, other than the Federal Housing Administration, the Veterans’ Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association, including any successors to such entities.

204. **Registration.** The Bonds are issued only as fully registered bonds, without coupons, and are transferable only upon the registration books maintained by the bond registrar.

205. **Not Hedge Bonds.** The Bonds are not “hedge bonds” within the meaning of Section 149(g) of the Code and Section 1.149(g)-1 of the Regulations because:

(a) on the date of issuance of each issue of the Prior Bonds and the Original Bonds, the Issuer expected that 85% of the spendable proceeds of such Bonds would be used to carry out the governmental purposes of such Bonds within the three-year period beginning on the date of issuance thereof;

(b) not more than 50% of the proceeds of the nonrefunding portion of each issue of the Prior Bonds and the Original Bonds was, invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more; and

(c) the Bonds are being issued to realize present value debt service savings and not otherwise to hedge against future increases in interest rates.

206. **Form 8038-G.** The Issuer will file or cause to be filed with the Internal Revenue Service a signed and completed original of IRS Form 8038-G with respect to the Bonds in the form attached hereto as the Exhibit entitled “Form 8038-G,” prior to February 15, 2020.

207. **Qualified Tax-Exempt Obligations.** (a) In the Bond Ordinance, the Issuer has designated the Bonds as Qualified Tax-Exempt Obligations. The total amount of “tax-exempt obligations” required to be taken into account for purposes of Section 265(b)(3)(C) and issued or reasonably anticipated to be issued during the current calendar year by or on behalf of the Issuer or any of its Subordinate Entities (or by or on behalf of any entity formed or availed of to avoid imposition of the $10,000,000 limitation of Section 265(b)(3) of the Code on the Issuer) does not exceed $10,000,000. For this purpose, “qualified 501(c)(3) bonds,” as defined in
Section 145(a) of the Code, are taken into account as “tax-exempt obligations” but all other private activity bonds, as defined in Section 141(a) of the Code, are not taken into account.

(b) The DeKalb Library Board is the only Subordinate Entity of the Issuer.

ARTICLE III

Plan of Finance

301. Description of the Project. The capital improvements financed or refinanced with the Prior Bonds are hereinafter referred to as the “Refunding Project” or the “Project” described in the Exhibit hereto entitled “Description of Project”.

302. Tax Owner. At all times on and after the date of issuance of the Prior Bonds and the Original Bonds, the Issuer has been and is expected to be the sole user of the Project and the owner of the Project for Federal income tax purposes.

303. Sale or Transfer. The Issuer has no present plan or intention to sell, lease or transfer all or any portion of the Project.

304. Refunding Program. The Prior Bonds consist of the following maturities of the Issuer’s outstanding General Obligation Refunding Bonds, Series 2010B and are being refunded to the date indicated for the purpose of achieving present value debt service savings:

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Refunded Amount</th>
<th>Retirement Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023 – 2028</td>
<td>$3,905,000</td>
<td>January 1, 2020</td>
</tr>
</tbody>
</table>

ARTICLE IV

Sources and Uses of Proceeds

401. Allocation of Proceeds to Uses; Recordkeeping. All of the Sale Proceeds described in Section 202(a) hereof will be allocated to the purposes set forth in Section 202(b) hereof using a reasonable method of accounting (such as specific tracing; Gross Proceeds spent first; first-in, first-out or ratable allocation). The Issuer will maintain books and records for the Bonds with sufficient detail to reflect the allocation of the Proceeds to specific expenditures, which records shall be maintained until at least the fifth anniversary of the retirement of all of the Bonds (or any bonds refunding the Bonds), unless otherwise provided by the Internal Revenue Service. All such allocations will be consistent for purposes of Section 141 of the Code (relating to private activity bond tests) and Section 148 of the Code (relating to arbitrage and rebate) and made no later than the earlier of:

I. the date that is no later than 18 months after the later of (a) the date the expenditure is paid and (b) the date the Project is in operation substantially at its design level, and

-3-
II. the date that is 60 days after the earlier of (a) the fifth anniversary of the Date of Issuance and (b) the date that all of the Bonds have been retired.

402. Proceeds of the Prior Bonds.

(a) The Issuer confirms the accuracy and completeness of the information, covenants and representations relating to the use of the proceeds of the Prior Bonds made by it in the Tax Compliance Certificates (or similar certificates under different titles), IRS Forms 8038G, and other certificates and documents delivered by it in connection with the issuance and delivery of the Prior Bonds (collectively, the “Prior Bond Tax Documents”). In each case, the actual use of proceeds was consistent with the expectations, estimates and projections set forth in the Prior Bond Tax Documents and such Prior Bond Tax Documents may be relied upon in connection with the execution and delivery of this Tax Compliance Certificate and the Bonds.

(b) On the date hereof, there are no unspent proceeds of the Prior Bonds remaining on deposit in the Funds established for such proceeds.


(a) Not more than the lesser of 5% or $15,000,000 of the proceeds of the Bonds, the Prior Bonds or the Original Bonds was or will be -- during the entire term of such Bonds -- used, directly or indirectly, by one or more Nongovernmental Persons in a trade or business.

(b) Not more than 5% of the debt service on the Bonds, the Prior Bonds or the Original Bonds was or will be -- during the entire term of such Bonds -- derived, directly or indirectly, from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used by any Nongovernmental Person in its trade or business.

(c) Not more than 5% of the debt service on the Bonds, the Prior Bonds or the Original Bonds was or will be -- during the entire term of such Bonds -- secured, directly or indirectly, by any interest in property used or to be used by a Nongovernmental Person in its trade or business or by any interest in payments in respect of such property.

(d) Not more than the lesser of 5% or $5,000,000 of the proceeds of the Bonds, the Prior Bonds or the Original Bonds was or will be -- during the entire term of such Bonds -- used (directly or indirectly) to make or finance loans (or any arrangement treated as the economic equivalent of a loan under Federal income tax principles) to Nongovernmental Persons.

(e) Not more than the lesser of 5% or $15,000,000 of the proceeds of the Bonds, the Prior Bonds or the Original Bonds was or will be -- during the entire term of such Bonds -- used (directly or indirectly) to finance the acquisition of any nongovernmental output property.

(f) If 5% or more of the proceeds of the Bonds are used with respect to an output facility (other than a facility for the furnishing of water), none of such proceeds will be
applied to finance any portion of the facility that is used in a trade or business of a Nongovernmental Person if the amount of such Bonds, when added to the amount of other bonds 5% or more of the proceeds of which were used for the same facility, exceeds $15,000,000.

(g) Except as otherwise advised by Bond Counsel or as permitted under paragraph (a) above, during the period beginning on the date of issuance of each issue of the Prior Bonds and ending on the date that no Bond is outstanding, the Issuer has not entered and shall not enter into any research, management or service contract with any entity other than a governmental entity for the operation of any portion of the Project unless such contract complies with the requirements of IRS Revenue Procedure 2017-13 or 2007-47, as appropriate, or such other authority as may control at the time.

(h) The Exhibit hereto entitled “Private Activity Bond Tests” contains interpretive rules, including a definition of “proceeds,” that govern for purposes of this Section.

404. Working Capital Expenditures.

Except as otherwise permitted in the next sentence, all of the costs financed or refinanced with the Proceeds are grants, or costs of a type, as of the date of their payment, that is properly chargeable to a capital account (or would be so chargeable with a proper election) under general Federal income tax principles. The following costs, if applicable, are not included in the covenant contained in the immediately preceding sentence:

(i) any issuance costs of the Bonds or “qualified administrative costs” (within the meaning of Section 1.148-5(e)(2)(i), (2)(ii) or (3)(ii)(A) of the Regulations);

(ii) fees for “qualified guarantees” of the Bonds or payments for a “qualified hedge” of the Bonds (as defined in the Regulations);

(iii) interest on the Bonds for a period commencing on the Date of Issuance and ending no later than the date that is the later of three years from the Date of Issuance or one year after the Project is placed in service;

(iv) amounts paid to the United States for arbitrage rebate payments, yield reduction payments or penalty in lieu of rebate payments;

(v) costs (other than those described in (i) through (iv) above) that do not exceed 5% of Sale Proceeds and are directly related to capital expenditures financed by the Bonds;

(vi) payments of principal of or interest on the Bonds paid from unexpected excess Sale Proceeds or Investment Proceeds;

(vii) payments of principal of or interest on the Bonds paid from investment earnings on a reserve or replacement fund that are deposited in a bona fide debt service fund;
(viii) expenditures for extraordinary, nonrecurring items that are not customarily payable from current revenues, such as casualty losses or extraordinary legal judgments, in amounts in excess of reasonable insurance coverage (but only after reserves maintained for such purpose have been expended); and

(ix) payments of principal or redemption price of or interest on the Prior Bonds.

ARTICLE V

Funds

501. Bond Funds. The Issue maintains a General Debt Service Fund for the payment of the principal of and interest on its General Obligation Bonds, including the Bonds. The Bond Ordinance establishes the 2019 Expense Fund for the payment of Issuance Costs of the Bonds.


ARTICLE VI

Bond Yield

601. Aggregate Issue Price. The Bonds were sold to the Bond Purchaser pursuant to a direct placement and will not be reoffered. The Issue Price at which the Bonds were sold is $3,925,000. The Bonds were sold without accrued interest.

602. Bond Yield. Raymond James has calculated the Bond Yield to be 1.819599%.

603. Adjustments to Bond Yield. There are no required adjustments to the Bond Yield. The Bonds are not subject to optional redemption, bear interest at a fixed rate and were sold with no original issue discount.

604. Interest Rate Hedge. The Issuer has not entered, and does not expect to enter, into any hedge agreements relating to the interest payable on the Bonds. On the basis of the foregoing, the Issuer is treating the Bonds as an issue of fixed yield bonds within the meaning of the Regulations.
ARTICLE VII
Non-Arbitrage Certifications

701. No Overissuance. (a) The Bonds are being issued in an amount that, including anticipated investment earnings thereon, is expected not to exceed the amount necessary to pay the costs of refunding the Prior Bonds.

(b) The debt service schedule provided for the Bonds reflects as rapid an amortization of principal as is reasonable, within prudent business standards, in light of the Issuer's outstanding indebtedness and its foreseeable revenues and expenses over the term of the Bonds.

702. Single Issue. There are no other obligations (a) sold within 15 days before or after the sale date of the Bonds, (b) sold pursuant to the same plan of financing as the Bonds based on the purposes and structure of the financing and (c) that will be paid out of substantially the same source of funds as will be used to pay the Bonds (determined without regard to guaranties from parties unrelated to the Issuer). The Issuer elects to treat the Bonds as a single issue. In this regard, the Issuer certifies that all of the Bonds (a) are secured by a pledge of the Issuer's full faith and credit (or a substantially similar pledge); (b) were sold on the same date pursuant to a single offering document; and (c) are being issued on the same date.

703. General Debt Service Fund. The General Debt Service Fund (a) will be used primarily to achieve a proper matching of revenues and debt service within each Bond Year, and (b) will be depleted at least once each Bond Year to an amount not to exceed the greater of (i) the prior Bond Year's earnings on the General Debt Service Fund and (ii) 1/12th of the prior Bond Year's debt service on the Bonds.

704. No Other Sinking Funds. The Issuer certifies that it does not expect that it will accumulate amounts of money in a fund or series of funds that is pledged, maintained or otherwise reasonably expected to be available to pay any debt service on the Bonds (or to replace funds used to pay principal of or interest on the Bonds), other than amounts (together with any investment earnings thereon) deposited in the General Debt Service Fund.

705. Minor Portion. The Minor Portion (the "Minor Portion") for investment at an unrestricted yield determined in connection with the Bonds is equal to $100,000, which is an amount equal to the lesser of (a) 5% of the Sale Proceeds of the Bonds, and (b) $100,000.

706. No Replacement. No portion of the Proceeds of the Bonds will be used to replace any amounts invested in Nonpurpose Investments having a Yield in excess of the Bond Yield. No replacement proceeds (within the meaning of Section 1.148-1(c) of the Regulations) are expected to exist in connection with the Bonds because, in general, there are no amounts that would have been used for the governmental purposes of the Bonds if the Bonds had not been issued and the Bonds will not be outstanding longer than is reasonably necessary to accomplish the governmental purposes of the Bonds. As shown in the Exhibit hereto entitled "Average Maturity Test," the weighted average maturity of the Bonds does not exceed the remaining weighted average maturity of the Prior Bonds.

-7-
707. No Abusive Arbitrage Device. The Issuer certifies that the Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations thereunder, (a) enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (b) increasing the burden on the market for tax-exempt obligations. Specifically, the Proceeds do not exceed the amount necessary to accomplish the governmental purposes of the Bonds or constitute “excess gross proceeds,” as set forth in this Article; the Bonds are not issued earlier than necessary, as evidenced by the qualification of the Capital Improvement Bonds for the initial temporary period described below; and the Bonds will not be outstanding longer than necessary, as evidenced by the compliance of the Bonds with the “Oversubscription” and “No Replacement” tests above.

708. No Intent to Redeem Prior to Maturity. The Issuer has no present expectation that it will receive or provide amounts to be used for the redemption of Bonds prior to maturity, other than pursuant to mandatory sinking fund installments.

ARTICLE VIII

Investment of Gross Proceeds

801. General Yield Restriction. The Issuer will not invest any amounts constituting Gross Proceeds of the Bonds in investments having a Yield in excess of the Bond Yield, except as otherwise expressly permitted below. Notwithstanding the preceding sentence, the restrictions on investment yield contained in the following paragraphs of this Article may be disregarded with respect to any amounts if, in the opinion of Bond Counsel, the provisions of Section 1.148-5(c) of the Regulations, relating to yield reduction payments to the United States, apply to such amounts and such payments are actually made in the amounts and at the times required by the Regulations.

802. Refunding Escrow Fund. Amounts on deposit in the Refunding Escrow Fund may be invested for a temporary period without restriction as to yield pursuant to Section 1.148-9(d)(2)(ii)(A) of the Regulations. No adjustment has been made to reflect the investment of transferred proceeds because all of the proceeds of each issue of the Prior Bonds and the Original Bonds will have been spent prior to the application of any Bond proceeds to the payment of any principal amount of that issue.

803. Accrued Interest. The Bonds were sold without accrued interest.

804. Costs of Issuance. Proceeds of the Bonds applied to pay costs of issuance of the Bonds will be invested for a temporary period without restriction as to Yield pursuant to Section 148(c) of the Code and Section 1.148-9(d)(2)(iv) of the Regulations, since such amounts will be spent for their intended purpose not more than 13 months after their date of receipt.

805. General Debt Service Fund. Amounts deposited in the General Debt Service Fund will be invested for a temporary period without restriction as to Yield pursuant to Section 148(c) of the Code and Section 1.148-9(d)(2)(iv) of the Regulations.
806. Universal Cap on Value of Nonpurpose Investments Allocated to the Bonds. The Issuer reasonably expects as of the date hereof that the universal cap under Section 1.148-6(b)(2) of the Regulations will not reduce the amount of Gross Proceeds allocable to the Bonds; therefore, the universal cap need not be applied on any date on which the Bonds have all of the following characteristics:

(a) no replacement proceeds are allocable to the Bonds, other than replacement proceeds in a bona fide debt service fund or a reasonably required reserve or replacement fund;

(b) the Net Sale Proceeds of the Bonds (i) qualify for one of the temporary periods available for capital projects, restricted working capital expenditures or pooled financings, and those Net Sale Proceeds are in fact allocated to expenditures prior to the expiration of the longest applicable temporary period, or (ii) are deposited in a refunding escrow and expended as originally expected;

(c) the Bonds do not refund a prior issue that, on any transfer date, has unspent proceeds allocable to it;

(d) none of the Bonds is retired prior to the date on which those Bonds are treated as retired in computing the Bond Yield; and

(e) no Proceeds are invested in qualified student loans or qualified mortgage loans.

807. Investments in Certain Federally Insured Accounts. Less than 5% of the proceeds of the Bonds will be invested in deposits or accounts that are insured by any federally chartered corporation such as the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration, or any successor to any of the foregoing, disregarding for this purpose investments in a bona fide debt service fund; investments in a reasonably required reserve fund; investments in United States Treasury bonds; investments for an initial temporary period until needed for the purpose for which the Bonds were issued; investments in a refunding escrow; and other investments permitted under the Code or the Regulations.

808. Value of Nonpurpose Investments and Bonds. The value of all Nonpurpose Investments hereunder (e.g., for purposes of computing transferred proceeds, the universal cap, the allocation of Commingled Funds, and the amount permitted to be invested as part of the Minor Portion or a reasonably required reserve or replacement fund) shall be determined in accordance with Section 1.148-5(d) of the Regulations. The value of the Bonds and Prior Bonds hereunder (e.g., for purposes of the universal cap) shall be determined in accordance with Section 1.148-4(c) of the Regulations.

809. Fair Market Value.

(a) In General. Whenever the Issuer shall purchase or sell, or cause any party to purchase or sell, any Nonpurpose Investment, such purchase or sale shall be made only at the fair market value of such Nonpurpose Investment. Except as described below, the fair market
value of a Nonpurpose Investment is the price determined by reference to an established securities market for the investment, as of the date on which a contract to purchase or sell the investment becomes binding, at which a willing buyer would purchase the investment from a willing seller in a *bona fide*, arm’s length transaction. The price shall not be adjusted to take into account “administrative costs” of the investment (within the meaning of Section 1.148-5(e)(1) of the Regulations) except as permitted by Section 1.148-5(e)(2) of the Regulations. The fair market value of a United States Treasury obligation purchased directly from the United States Treasury is its purchase price.

(b) Guaranteed Investment Contracts and Investments Purchased for a Yield Restricted Defeasance Escrow. In the case of a Nonpurpose Investment (I) that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including an agreement to supply investments on two or more future dates, or (II) that will be deposited into a defeasance escrow that may not be invested at an unrestricted Yield, the fair market value is its purchase price if an employee or agent of the Issuer with responsibility for obtaining such investments delivers a certificate to the Issuer in substantially the form of the Exhibit hereto entitled “Form of Investment Certificate: Issuer Employee or Agent” and the provider of such investments delivers a certificate to the Issuer in substantially the form of the Exhibit hereto entitled “Form of Investment Certificate: Provider” and the Issuer shall have no reason to doubt the accuracy or completeness of such certificates. A broker’s fee paid by the provider of such a Nonpurpose Investment is treated as additional investment Yield to the Issuer unless the per-investment and per-issue caps set forth in the Regulations are satisfied.

(c) Certificates of Deposit. In the case of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal, the fair market value of the certificate is its purchase price if the Yield on the certificate is not less than (i) the Yield on reasonably comparable direct obligations of the United States, and (ii) the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(d) Commingled Funds. Gross Proceeds of the Bonds may be invested in a Commingled Fund only if the Commingled Fund complies with the special accounting rules set forth at Section 1.148-6(e) of the Regulations. Generally, this requires that, not less frequently than as of the close of each fiscal period, all payments and receipts (including deemed payments and receipts) on investments held by a Commingled Fund must be allocated (but not necessarily distributed) among the different investors in the fund in accordance with a consistently applied, reasonable ratable allocation method. For this purpose, the term “investor” means each different source of funds invested in a Commingled Fund, and the term “fiscal period” means any consistent fiscal period adopted by the fund that does not exceed three months (such as a calendar year). Examples of reasonable ratable allocation methods include methods that allocate payments and receipts in proportion to either (A) the average daily balances of the amounts in the Commingled Fund from different investors during a fiscal period or (B) the average of the beginning and ending balances of the amounts in the Commingled Fund from different investors for a fiscal period that does not exceed one month.

In the case of a Commingled Fund in which the Issuer and any related party own more than 25% of the beneficial interests in the fund, unless the weighted average maturity of all
investments held by the fund during a particular fiscal year does not exceed 18 months (and the only investments held by the Commingled Fund during that time are obligations), the Commingled Fund must mark-to-market all its investments either on the last day of each fiscal year or on the last day of each fiscal period and distribute the gains and losses so determined among the investors.

The mark-to-market requirement does not apply to a Commingled Fund that operates exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the Issuer. In such a case, investments held by the Commingled Fund must be allocated ratably among the issues served by the Commingled Fund in accordance with one of the following methods: (A) the relative values of the bonds of those issues; (B) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (C) the relative original stated principal amounts of the outstanding issues. An issuer must make any such required allocations at least every three years and as of each date that an issue first becomes secured by the commingled reserve. If relative original principal amounts are used to allocate, allocations must also be made on the retirement of any issue secured by the commingled reserve.

ARTICLE IX

Rebate of Excess Investment Earnings

901. Complete Records. The Issuer shall maintain complete records pertaining to all Funds and all transfers thereto, deposits therein, disbursements and transfers therefrom and earnings thereon, including the date, amount and source of each payment to, and the date, amount, purpose and payee of each payment from, each such Fund. With respect to each Nonpurpose Investment, the Issuer shall maintain a record of the Purchase Price, purchase date, type of security, accrued interest paid, interest rate, principal amount, date of maturity, interest payment date, date of liquidation and amount received upon liquidation. Such records and all Excess Earnings Reports filed with the Issuer shall be retained by the Issuer for at least five years following the payment and retirement of the Bonds.

902. Preparation of Excess Earnings Report. The Issuer, except as otherwise provided herein, shall cause a Rebate Expert to prepare, within 60 days following each Rebate Determination Date, an Excess Earnings Report containing substantially all of the information set forth in the Exhibit hereto entitled “Excess Earnings Report” with respect to the Bonds. Each Report shall be dated as of such Rebate Determination Date, and shall be numbered consecutively from “1” upward in chronological order.

903. Payments to United States.

(a) Except as otherwise provided herein, to the extent and at the time set forth on Line 3 and note 7 of any Excess Earnings Report, the Issuer shall make payment to the United States of any and all amounts due and owing to the United States. Each such payment to the United States shall be mailed by certified mail (return-receipt requested), postage prepaid, to the
Internal Revenue Service, Ogden Submission Processing Center, Ogden, Utah 84201, and shall be accompanied by a completed and executed copy of Internal Revenue Service Form 8038-T.

(b) In addition, upon a Determination of Rebate Deficiency, the Issuer shall promptly pay to the United States an amount equal to the correct rebate amount plus interest and, if so required by the Internal Revenue Service, the applicable penalty.

904. Six-Month Exception. The reporting and payment provisions of this Article shall not be applicable to the Bonds if all of the Adjusted Gross Proceeds of the Bonds are expended for the purposes for which such Bonds were issued, not including the redemption of such Bonds, no later than the date that is six months after the date hereof; provided, however, that (i) an amount equal to 5% of the Adjusted Gross Proceeds must be expended no later than the date that is one year after the date hereof; (ii) the reporting and payment provisions of this Article must be met for Gross Proceeds other than Adjusted Gross Proceeds and other than amounts on deposit in a bona fide debt service fund; and (iii) if any such Adjusted Gross Proceeds become available thereafter, the Issuer shall fully comply with the reporting and payment provisions of this Article with respect to such Adjusted Gross Proceeds.

905. Rebate on Prior Issue. The Issuer acknowledges that the refunding of the Prior Bonds results in the final retirement of the 2010 issue of which the Prior Bonds are a part (the “2010 Prior Issue”) on January 1, 2020, which date is earlier than the final scheduled maturity date of the 2010 Prior Issue (the “Early Maturity Date”). As a result, the Issuer understands that the final rebate determination date for the 2010 Prior Issue is now the Early Maturity Date and will comply with the final rebate computation and payment requirements relating to the 2010 Prior Issue as of such date.
IN WITNESS WHEREOF, the undersigned has signed this Certificate, this 23rd day of October, 2019.

CITY OF DEKALB

By: _________________________
   City Manager
SCHEDULE OF EXHIBITS

Average Maturity Test
Definitions
Description of Bonds
Description of Project
Excess Earnings Report
Form 8038-G
Form of Investment Certificate: Issuer Employee or Agent
Form of Investment Certificate: Provider
Private Activity Bond Tests
AVERAGE MATURITY TEST

The weighted average maturity of the Bonds of 5.6054 years is shorter than the remaining average maturity of the Prior Bonds of 5.7510 years.
DEFINITIONS

"Adjusted Gross Proceeds" means Gross Proceeds less amounts (i) in a bona fide debt service fund, (ii) in a reasonably required reserve or replacement fund, (iii) that, as of the Date of Issuance, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the six-month spending period described in Article IX of the Tax Compliance Certificate, or the 18-month spending period described in Article IX of the Tax Compliance Certificate, as appropriate, (iv) representing Sale or Investment Proceeds derived from payments under any "purpose investment" (as defined in the Regulations) allocated to the Bonds, (v) representing payments of "grants" (as defined in the Regulations) financed by the Bonds, and (vi) with respect to the six-month spending exception described in Article IX of the Tax Compliance Certificate, representing proceeds of the Prior Bonds (if any) that become transferred proceeds of the Bonds, other than Prior Bond proceeds described in clauses (i) through (v) of this definition and other than proceeds of Prior Bonds that are taxable bonds.

"Agreement" and "Counterparty" have the meanings specified in Article VI of the Tax Compliance Certificate.

"AMT Bond" means a specified private activity bond described in Section 57(a)(5)(c) of the Code.

"Bond Counsel" means Katten Muchin Rosenman LLP or, for determinations after the Date of Issuance, any counsel of nationally recognized standing in matters pertaining to tax-exempt bonds.

"Bond Ordinance" has the meaning specified in the Exhibit to the Tax Compliance Certificate entitled "Description of Bonds."

"Bond Purchaser" means JPMorgan Chase Bank, N.A.

"Bond Year" means (unless the Issuer elects otherwise under the Regulations) the initial period beginning on the Date of Issuance and ending on January 1, 2020, and thereafter each one year period ending on December 1 or, if earlier, the day on which all outstanding Bonds are retired.

"Bond Yield" means the composite yield on the Bonds calculated in accordance with Regulations Section 1.148-4.

"Bonds" has the meaning specified in the preamble to the Tax Compliance Certificate.

"Code" means the Internal Revenue Code of 1986 as in effect on the Date of Issuance.

"Commingled Fund" means any fund or account if (i) the fund or account contains both Gross Proceeds of the Bonds and amounts in excess of $25,000 that are not Gross Proceeds of the Bonds, and (ii) amounts in the fund or account are invested collectively without
regard to the source of funds deposited in the fund or account. For this purpose, an open-end regulated investment company (as defined in Section 851 of the Code) is not a Commingled Fund.

“Controlled Group” means a group of entities controlled directly or indirectly by the same entity or group of entities if the controlling entity possesses:

(i) the right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled group; or

(ii) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity.

An entity is not a controlled entity if it possesses substantial taxing, eminent domain and police powers.

“Date of Issuance” means October 23 2019.

“Determination of Rebate Deficiency” means a judgment or order of a court of competent jurisdiction, or a final ruling, technical advice or decision of the Internal Revenue Service, or a written opinion of Bond Counsel to the effect that insufficient amounts have been paid to the United States under Section 148(f) of the Code and stating the amount of the deficiency (including interest and penalties) then due. For purposes of this definition, a ruling or decision of the Internal Revenue Service shall be considered final if no appeal or action for a judicial review has been filed and the time for filing of such appeal has expired.

“Forward Sale Agreement” has the meaning specified in Article VIII of the Tax Compliance Certificate.

“Funds” means the funds and accounts identified in Article V of the Tax Compliance Certificate to the extent allocable to the Bonds.

“Gross Proceeds” means: (a) Proceeds; (b) amounts held from time to time in any of the Funds, including Investment Proceeds derived therefrom; and (c) “replacement proceeds” within the meaning of Section 1.148-1(c) of the Regulations.

“Investment Proceeds” generally means amounts actually or constructively received from investing the Proceeds of the Bonds and from reinvesting any such earnings.

“Investment Property” means any security, obligation, annuity contract, or investment-type property, including certain prepayments and hedges containing a significant investment element (as provided in Section 1.148-1(e) of the Regulations), that is held principally as a passive vehicle for the production of income, other than any Tax-Exempt Bond.

“Issuance Costs” has the meaning specified in Article II of the Tax Compliance Certificate.
“Issue Price” means the offering price computed as described in Regulations Section 1.148-1(f).

“Minor Portion” has the meaning specified in Article VII of the Tax Compliance Certificate.

“Net Sale Proceeds” means Sale Proceeds, less the amount of Sale Proceeds invested in a reasonably required reserve or replacement fund or as part of a Minor Portion.

“Nongovernmental Person” means any individual or entity other than a state or local governmental unit.

“Nonpurpose Investment” means any Investment Property other than a “purpose investment” (as defined in the Regulations) acquired with Gross Proceeds of the Bonds.


“Prior Bonds” has the meaning specified in Article III of the Tax Compliance Certificate.

“Proceeds” means, generally, Sale Proceeds, Investment Proceeds and transferred proceeds (as defined in Regulations Section 1.148-9); as used in Article IV of the Tax Compliance Certificate, “proceeds” has the meaning set forth in the Exhibit referred to in Article IV.

“Project” has the meaning set forth in the Exhibit to the Tax Compliance Certificate entitled “Description of Project.”

“Purchase Price” means the fair market value of a Nonpurpose Investment on the date it is purchased, or, if later, the date on which the Nonpurpose Investment is allocated to the Bonds, regardless of the amount actually paid for such Nonpurpose Investment, without taking into account fees and commissions paid in connection with the acquisition of such Nonpurpose Investment except as permitted under Section 1.148-5(d) of the Regulations.

“Rebate Determination Date” means each of the following dates: (a) every fifth anniversary of the Date of Issuance (or such earlier date as the Issuer may elect in accordance with the Regulations); and (b) the earlier of the scheduled final maturity date of the Bonds or any date prior thereto on which all outstanding Bonds are paid and retired.

“Rebate Expert” means any person or firm expert in making the computations required under Section 148(f) of the Code selected by the Issuer.

“Refunding Bonds” has the meaning specified in Article II of the Tax Compliance Certificate.
“Refunding Deposit” has the meaning specified in Article II of the Tax Compliance Certificate.

“Refunding Escrow Fund” means the Fund referred to in Article V of the Tax Compliance Certificate.

“Refunding Project” has the meaning set forth in the Exhibit to the Tax Compliance Certificate entitled “Description of Project.”

“Regulations” means the final, temporary and proposed regulations promulgated by the United States Treasury Department and in effect on the Date of Issuance with respect to the provisions of the Code.

“Sale Proceeds” means (i) any amounts actually or constructively received from the sale of the Bonds, including amounts used to pay underwriters’ discount or compensation but excluding accrued interest that is to be paid within one year of the Date of Issuance, (ii) amounts derived (on or after the date hereof) from the sale of a right that is associated with the Bonds (such as the Issuer’s right to prepay the Bonds) and (iii) in the case of a hedge allocated to the Bonds that is intended to be terminated on the Date of Issuance, the amount paid (or deemed to be paid) by the Issuer in connection with such termination is a reduction in the amount of Sale Proceeds and the amount received (or deemed to be received) by the Issuer in connection with such termination is an addition to the amount of Sale Proceeds, as determined under Section 1.148-4(h)(5)(ii) of the Regulations.

“Subordinate Entity” means an entity that is directly or indirectly controlled by the Issuer in the manner described under the definition of “Controlled Group” above.

“Tax-Exempt Bonds” means (i) any obligation, the interest on which is excludable from the gross income of the owner thereof for Federal income tax purposes, other than an AMT Bond, (ii) a certificate of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. Part 344, and (iii) an interest in a regulated investment company to the extent that at least 95% of the income to the holder of the interest is interest on one or more obligations described in clause (i).

“Value” has the meaning specified in Section 808 of the Tax Compliance Certificate.

“Yield” means, with respect to the Bonds, the Bond Yield and, with respect to any other obligation or Investment Property, the yield calculated in accordance with Regulations Section 1.148-5(b).
DESCRIPTION OF BONDS

SCHEDULE X

CITY OF DEKALB, ILLINOIS
$3,925,000 General Obligation Refunding Bonds, Series 2019

Authorization: Section 6 of Article VII of the Illinois Constitution of 1970 and Ordinance Number 2019-058 adopted by the City Council of the City on September 9, 2019 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $4,000,000 General Obligation Refunding Bonds, Series 2019, of the City of DeKalb, Illinois" (the "Bond Ordinance").

Form: Fully registered bonds in the denominations of $100,000 or any multiple of $5,000 in excess of $100,000.

Depository: None.

Date: Dated as of October 23, 2019.

Record Dates: The 15th day of the calendar month next preceding the applicable interest payment date.

Interest Rate and Payment Dates: 1.82% per annum, payable on July 1, 2020 and semiannually thereafter on each January 1 and July 1.

Maturity: January 1, 2028.

Optional Redemption Provisions: None.

Mandatory Redemption Provisions: The Bonds are subject to mandatory redemption prior to maturity on January 1 of the years 2021 to 2027, both inclusive, in part and by lot, at a redemption price of par and in the following principal amounts:

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<thead>
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<th>Year</th>
<th>Principal Amount</th>
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<tbody>
<tr>
<td>2021</td>
<td>$20,000</td>
</tr>
<tr>
<td>2022</td>
<td>35,000</td>
</tr>
<tr>
<td>2023</td>
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<td>905,000</td>
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<tr>
<td>2027</td>
<td>920,000</td>
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</table>

The final principal amount of the Bonds maturing on January 1, 2028, is $105,000.
DESCRIPTION OF PROJECT

"Project" or "Refunding Project" means the following capital improvements:

1. **1997A Bonds**
   The public improvements described in Ordinance No. 92-157.

2. **2002 Bonds**
   The expansion of the existing public works facility, at an estimated cost of $1,200,000.
   The extension of Bethany Road/Tygert Lane, at an estimated cost of $400,000.
   The reconstruction of Miller Avenue, at an estimated cost of $850,000.
   The installation of a traffic signal at Peace Road and Fairview Road, at an estimated cost of $175,000.

   Preliminary expenditures, including engineering costs, for the reconstruction of Annie Glidden Road from Route 38 southward to the Illinois Toll Highway, at an estimated cost of $835,000.
**EXCESS EARNINGS REPORT**

Report No. _______  
Rebate Determination Date (1): ______________, ____

1. Bond Yield (2): _________ %

2. Net Excess Earnings by Fund:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Future Value of Nonpurpose Receipts (3)</th>
<th>Future Value of Nonpurpose Payments (4)</th>
<th>Net Excess Earnings (5)</th>
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<tr>
<td>General Debt Service (6)</td>
<td>$</td>
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<td>$</td>
</tr>
<tr>
<td>Expense</td>
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<td>Refunding Escrow</td>
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<td></td>
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</tr>
<tr>
<td>TOTAL</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

3. Rebate Amount (7)

-22-
Notes and Instructions

1. "Rebate Determination Date" means each of the following dates: (a) every fifth anniversary of the Date of Issuance (or such earlier date as the Issuer may elect in accordance with the Regulations); and (b) the earlier of the scheduled final maturity date of the Bonds or any date prior thereto on which all outstanding Bonds are paid and retired.

2. The Bond Yield shall be computed (and modified after the Date of Issuance, if necessary) in accordance with Regulations Section 1.148-4.

3. "Future Value of Nonpurpose Receipts" means, in general terms, the future value, as of the Rebate Determination Date, of all amounts received on or before the Rebate Determination Date with respect to Nonpurpose Investments allocated to the Bonds. All calculations necessary to determine the Future Value of Nonpurpose Receipts shall be made in compliance with the rules set forth in Regulations Section 1.148-3 and the Regulations cited therein.

4. "Future Value of Nonpurpose Payments" means, in general terms, the future value, as of the Rebate Determination Date, of all amounts paid on or before the Rebate Determination Date with respect to Nonpurpose Investments allocated to the Bonds, including computation credits, if any. All calculations necessary to determine the Future Value of Nonpurpose Payments shall be made in compliance with the rules set forth in Regulations Section 1.148-3 and the Regulations cited therein.

5. Calculate the difference between Future Value of Nonpurpose Receipts and Future Value of Nonpurpose Payments for each Fund. Net Excess Earnings for any Fund may be a negative number.

6. Future Values of Nonpurpose Receipts and Payments allocable to any bona fide debt service fund are not to be taken into account in computing the amount due to the United States.

7. On or before the 60th day following each Rebate Determination Date other than the final Rebate Determination Date, an amount not less than 90% of the amount set forth in Line 3 must be remitted to the Internal Revenue Service. In addition, on or before the 60th day following the final Rebate Determination Date, 100% of such amount must be remitted to the Internal Revenue Service. For mailing instructions, see the Tax Compliance Certificate relating to the Bonds.
FORM 8038-G
Information Return for Tax-Exempt Governmental Bonds

**Part I** Reporting Authority

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Issuer's name</td>
</tr>
<tr>
<td>2</td>
<td>Issuer's employer identification number (EIN)</td>
</tr>
<tr>
<td>3a</td>
<td>Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)</td>
</tr>
<tr>
<td>3b</td>
<td>Telephone number of other person shown on 3a</td>
</tr>
<tr>
<td>4</td>
<td>Number and street (or P.O. box if mail is not delivered to street address)</td>
</tr>
<tr>
<td>5</td>
<td>Room/suite</td>
</tr>
<tr>
<td>6</td>
<td>City, town, or post office, state, and ZIP code</td>
</tr>
<tr>
<td>7</td>
<td>Date of issue</td>
</tr>
<tr>
<td>8</td>
<td>Name of issue</td>
</tr>
<tr>
<td>9</td>
<td>CUSIP number</td>
</tr>
</tbody>
</table>

**General Obligation Refunding Bonds, Series 2019**

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10a</td>
<td>Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)</td>
</tr>
<tr>
<td>10b</td>
<td>Telephone number of officer or other employee shown on 10a</td>
</tr>
</tbody>
</table>

**Part II** Type of Issue (enter the issue price). See the instructions and attach schedule.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Education</td>
</tr>
<tr>
<td>12</td>
<td>Health and hospital</td>
</tr>
<tr>
<td>13</td>
<td>Transportation</td>
</tr>
<tr>
<td>14</td>
<td>Public safety</td>
</tr>
<tr>
<td>15</td>
<td>Environment (including sewage bonds)</td>
</tr>
<tr>
<td>16</td>
<td>Housing</td>
</tr>
<tr>
<td>17</td>
<td>Utilities</td>
</tr>
</tbody>
</table>
| 18    | Other. Describe

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>19a</td>
<td>If bonds are TANs or RANs, check only box 19a</td>
</tr>
<tr>
<td>19b</td>
<td>If bonds are BANs, check only box 19b</td>
</tr>
<tr>
<td>20</td>
<td>If bonds are in the form of a lease or installment sale, check box</td>
</tr>
</tbody>
</table>

**Part III** Description of Bonds. Complete for the entire issue for which this form is being filed.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>Final maturity date</td>
</tr>
<tr>
<td>22</td>
<td>Issue price</td>
</tr>
<tr>
<td>23</td>
<td>Stated redemption price at maturity</td>
</tr>
<tr>
<td>24</td>
<td>Weighted average maturity</td>
</tr>
<tr>
<td>25</td>
<td>Yield</td>
</tr>
</tbody>
</table>

**Part IV** Uses of Proceeds of Bond Issue (Including underwriters' discount)

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>Proceeds used for accrued interest</td>
</tr>
<tr>
<td>23</td>
<td>Issue price of entire issue (enter amount from line 21, column (b))</td>
</tr>
<tr>
<td>24</td>
<td>Proceeds used for bond issuance costs (including underwriters' discount)</td>
</tr>
<tr>
<td>25</td>
<td>Proceeds used for credit enhancement</td>
</tr>
<tr>
<td>26</td>
<td>Proceeds allocated to reasonably required reserve or replacement fund</td>
</tr>
<tr>
<td>27</td>
<td>Proceeds used to refund prior tax-exempt bonds. Complete Part V</td>
</tr>
<tr>
<td>28</td>
<td>Proceeds used to refund prior taxable bonds. Complete Part V</td>
</tr>
<tr>
<td>29</td>
<td>Total (add lines 24 through 28)</td>
</tr>
<tr>
<td>30</td>
<td>Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)</td>
</tr>
</tbody>
</table>

**Part V** Description of Refunded Bonds. Complete this part only for refunding bonds.

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded</td>
</tr>
<tr>
<td>32</td>
<td>Enter the remaining weighted average maturity of the taxable bonds to be refunded</td>
</tr>
<tr>
<td>33</td>
<td>Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)</td>
</tr>
<tr>
<td>34</td>
<td>Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)</td>
</tr>
</tbody>
</table>

For Paperwork Reduction Act Notice, see separate instructions.
### Part VI Miscellaneous

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)</td>
</tr>
<tr>
<td>36a</td>
<td>Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions</td>
</tr>
<tr>
<td></td>
<td>b Enter the final maturity date of the GIC (MM/DD/YYYY)</td>
</tr>
<tr>
<td></td>
<td>c Enter the name of the GIC provider</td>
</tr>
<tr>
<td>37</td>
<td>Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units</td>
</tr>
<tr>
<td>38a</td>
<td>If this issue is a loan made from the proceeds of another tax-exempt issue, check box □ and enter the following information:</td>
</tr>
<tr>
<td></td>
<td>b Enter the date of the master pool bond (MM/DD/YYYY)</td>
</tr>
<tr>
<td></td>
<td>c Enter the EIN of the issuer of the master pool bond</td>
</tr>
<tr>
<td></td>
<td>d Enter the name of the issuer of the master pool bond</td>
</tr>
<tr>
<td>39</td>
<td>If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box □</td>
</tr>
<tr>
<td>40</td>
<td>If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box</td>
</tr>
<tr>
<td>41a</td>
<td>If the issuer has identified a hedge, check here □ and enter the following information:</td>
</tr>
<tr>
<td></td>
<td>b Name of hedge provider</td>
</tr>
<tr>
<td></td>
<td>c Type of hedge</td>
</tr>
<tr>
<td></td>
<td>d Term of hedge</td>
</tr>
<tr>
<td>42</td>
<td>If the issuer has superintegrated the hedge, check box</td>
</tr>
<tr>
<td>43</td>
<td>If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box □</td>
</tr>
<tr>
<td>44</td>
<td>If the issuer has established written procedures to monitor the requirements of section 148, check box □</td>
</tr>
<tr>
<td>45a</td>
<td>If some portion of the proceeds was used to reimburse expenditures, check here □ and enter the amount of reimbursement</td>
</tr>
<tr>
<td></td>
<td>b Enter the date the official intent was adopted (MM/DD/YYYY)</td>
</tr>
</tbody>
</table>

**Signature and Consent**

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS’s disclosure of the issuer’s return information, as necessary to process this return, to the person that have authorized above.

**Signature of issuer’s authorized representative**

[Signature]  
Date: 10/10/19

**Bill Nicklas, City Manager**

Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer’s name: Lewis Greenbaum  
Preparer’s signature: [Signature]  
Date: 10/28/19  
Check □ if self-employed  
PTIN: P01065142  
Firm’s name: Katten Muchin Rosenman LLP  
Firm’s EIN: 36 2796532  
Firm’s address: 525 West Monroe Street, Chicago, IL 60661-3693  
Phone no.: (312) 902-5200

Form 8038-G (Rev. 9-2018)
FORM OF INVESTMENT CERTIFICATE: ISSUER EMPLOYEE OR AGENT

For purposes of this Certificate, the following terms have the meanings specified:

Bonds: 

Investment: 

Issuer: 

The undersigned hereby certifies as follows:

(A) On behalf of the Issuer, the undersigned made a bona fide solicitation for the purchase of the Investment that satisfies all of the following requirements:

(1) The bid specifications were in writing and were timely forwarded to potential providers.

(2) The bid specifications included all material terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the Investment.

(3) The bid specifications included a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements of paragraph (B) below.

(4) The terms of the bid specifications are commercially reasonable. A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the Investment. [Add for solicitations of investments for a yield restricted defeasance escrow]: For example, the hold firm period is no longer than the Issuer reasonably requires.

(5) [For purchases of guaranteed investment contracts only]: The terms of the solicitation take into account the Issuer's reasonably expected deposit and drawdown schedule for the amounts to be invested.

(6) All potential providers had an equal opportunity to bid. For example, no potential provider was given the opportunity to review other bids (i.e., a last look) before providing a bid.
(7) At least three reasonably competitive providers were solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased.

(B) The bids received by us meet all of the following requirements:

(1) We received at least three bids from providers that we solicited under a bona fide solicitation meeting the requirements of paragraph (A) above and that do not have a material financial interest in the Bonds. A lead underwriter (if the Bonds are sold in a negotiated underwriting transaction) is deemed to have a material financial interest in the Bonds until 15 days after the date of issuance thereof. In addition, any entity acting as a financial advisor with respect to the purchase of the Investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the Bonds. A provider that is a related party to a provider that has a material financial interest in the Bonds is deemed to have a material financial interest in the Bonds.

(2) At least one of the three bids described in the preceding paragraph is from a reasonably competitive provider, within the meaning of paragraph (A)(7) above.

(3) We did not bid to provide the Investment.

(C) The winning bid meets the following requirements:

[Alternative (a) -- Guaranteed investment contracts:] it is the highest yielding bona fide bid (determined net of any broker’s fees).

[Alternative (b) -- Other investments:]

(1) The winning bid is the lowest cost bona fide bid (including any broker’s fees). The lowest cost bid is either the lowest cost bid for the portfolio or the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the Issuer from a provider at the time a guaranteed investment contract is purchased (e.g., an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure meeting the requirements of the Arbitrage Regulations is taken into account in determining the lowest cost bid.

(2) The lowest cost bona fide bid (including any broker’s fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities was determined at the time that bids were required to be submitted pursuant to the terms of the bid specifications. Note: [This paragraph may be omitted if SLGS are not available on the date of the bid deadline; see Regs. §1.148-5/d/6/iii/C/2/iii.]

(D) Attached to this Certificate are copies of the following:

(1) [For guaranteed investment contracts:] The contract. [For other Investments:] The purchase agreement or confirmation.
(2) The receipt for the amount actually paid by the Issuer, including a record of any administrative costs (such as our fees) paid by the Issuer.

(3) A chart showing for each bid received: the name of the person and entity submitting the bid, the time and date of the bid and the bid results.

(4) The bid solicitation form, including a statement explaining any deviation by the Investment from the form. [See Regs. §1.148-5/d/6/iii/E/4 if there is any deviation from the form.]

(5) [For an escrow portfolio:] An analysis showing the cost of the most efficient SLGS portfolio as of the deadline for submitting bids under the bid solicitation.

Dated: ________________________________

[ISSUER/AGENT]

By ________________________________

Its ________________________________
FORM OF INVESTMENT CERTIFICATE: PROVIDER

For purposes of this Certificate, the following terms have the meanings specified:

Bonds:

Investment:

Issuer:

The undersigned is providing the Investment to the Issuer with respect to the Bonds following submission of our bid in response to a written solicitation received by us relating to the Investment.

In connection with our bid to provide the Investment, we certify that we did not consult with any other potential provider about its bid, our bid was determined without regard to any other formal or informal agreement that we may have with the Issuer or any other person (whether or not in connection with the Bonds), and the bid was not submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements of the arbitrage regulations.

We further certify that the administrative costs paid or expected to be paid by us to third parties in connection with supplying the Investment are as follows:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Payee</th>
</tr>
</thead>
</table>

[We further certify that we do not have a material financial interest in the Bonds and we are not a related party to any entity with such an interest (e.g., the lead underwriter for the Bonds until 15 days after the date of issuance thereof or a financial advisor with respect to the purchase of the Investment).]

Include the preceding paragraph unless the high bidder is the lead underwriter for the issue and there are three qualifying bids for the investment from non-related entities.

Finally, we acknowledge receipt on this date of $__________ as the purchase price for the Investment.
Dated: ____________________________

[PROVIDER]

By _____________________________
Its _____________________________
PRIVATE ACTIVITY BOND TESTS

The following rules govern for purposes of applying the Private Activity Bond Tests in Article IV of the Tax Compliance Certificate; a more complete statement of the rules is contained in Treasury Regulations Sections 1.141-0 through 1.141-15 and IRS Revenue Procedures 2017-13 and 2007-47, as appropriate:

A. General Rules

1. The Bonds may become a taxable issue of “private activity bonds” if more than 10% (5% under the circumstances described below) of the Proceeds (as defined in the next paragraph) are used directly or indirectly in the trade or business of any Nongovernmental Person (see “Private Business Use Test” below) and more than 10% (5% under the circumstances described below) of the principal or interest on the Bonds is (a) secured directly or indirectly by any interest in or payment in respect of the property or borrowed money used, or to be used, in such nongovernmental trade or business, or (b) to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use (see “Private Security or Payment Test” below). In addition, the Bonds may become a taxable issue of private activity bonds if more than 5% (or, if lower, $5,000,000) of the Proceeds are used (a) to make loans to Nongovernmental Persons (see “Private Loan Financing Test” below) or (b) to acquire nongovernmental output property (see “Nongovernmental Output Property” below). Finally, in most cases no more than $15,000,000 of the Proceeds (including the Proceeds of outstanding bonds used for the same facility, in the case of output facilities), may be allocated to costs that satisfy the Private Business Use Test and the Private Security or Payment Test, regardless of whether such amount exceeds the other limits described in this paragraph.

2. “Proceeds” refers to the sum of: (a) Sale Proceeds, other than those Sale Proceeds used to retire Bonds and that are not deposited in a reasonably required reserve or replacement fund, and (b) Investment Proceeds that accrue during the period beginning on the Date of Issuance and ending (generally) on the date that the Project has been placed in service, and (c) amounts (including property, such as an agreement to provide services) derived from the sale, exchange or other disposition of all or part of the Project (“Disposition Proceeds”) and (d) unless otherwise advised by Bond Counsel, amounts of the Issuer (other than sinking funds or pledged funds) that have a sufficiently direct nexus to the Bonds or to the Project to conclude that the amounts would have been used for the Project if the Proceeds were not, or were not to be, so used, within the meaning of Regs. §1.148-1(c) (“Replacement Proceeds”).

3. Whenever the Issuer states that it “reasonably expects” or “expects” something to occur or not to occur, the statement refers to the Issuer’s reasonable expectations concerning events and actions over the entire stated term of the Bonds; provided, however, that an event or action is disregarded if: (a) the Bonds are subject to
mandatory redemption within six months of the date of such event or action and the other conditions set forth in Regs. §1.141-2(d)(2)(ii) are satisfied, or (b) the Project consists, in whole or in part, of personal property (such as police cars), which is disposed of in the ordinary course of an established governmental program, and the other conditions set forth in Regs. §1.141-2(d)(4) are satisfied, or (c) the Bonds constitute an issue of general obligation bonds of a general purpose governmental unit that finances at least 25 separate purposes and does not predominantly finance fewer than four separate purposes, and the other conditions set forth in Regs. §1.141-2(d)(5) are satisfied. If an unexpected event or action that would cause the Bonds to become private activity bonds occurs during the term of the Bonds, interest on the Bonds may become taxable unless an appropriate remedial action under Regs. §1.141-12 is taken.

4. All governmental units and 501(c)(3) Organizations that are members of the same Controlled Group are treated as one person and all persons and entities other than governmental units and 501(c)(3) Organizations that are related within the meaning of Section 144(a)(3) of the Code are treated as one person.

B. Private Business Use Test

1. Any activity carried on by a Nongovernmental Person that is not a natural person, and any trade or business activity carried on by any person, is treated as private business use.

2. Any use of the Project pursuant to a special legal entitlement conferred on a Nongovernmental Person, such as an ownership interest, a lease, a management or incentive payment contract (except as provided in paragraph 8 below), certain research agreements or a take or pay or other output-type contract, is a private business use.

3. If the Project is not available for use by the general public, private business use may be established solely on the basis of a special economic benefit conferred on one or more Nongovernmental Persons, even if those Nongovernmental Persons have no special legal entitlements to use of the Project.

4. Use by an agent of the Issuer, use incidental to certain financing arrangements, use pursuant to a contract encompassing fewer than 200 days, temporary use by a developer, certain incidental uses (such as telephone booths) and certain qualified improvements are not treated as private business use if the conditions set forth in Regs. §1.141-3(d) are satisfied.

5. The amount of private business use (other than ownership) of the Project is generally equal to the average annual private business use of the Project during the period beginning on the later of the Date of Issuance or the date the Project is placed in service, and ending on the earlier of the last date of the reasonably expected economic life of the Project or the latest maturity date (or mandatory redemption date) of the Bonds; the amount of private business use resulting from
ownership of a portion of the New Money Project by a Nongovernmental Person is the greatest percentage of such ownership in any one-year period.

6. Proceeds that are used to pay costs of issuance, invested in a reserve or replacement fund or paid as fees for a qualified guarantee or a qualified hedge must be allocated ratably among the other purposes for which the Proceeds are used.

7. The 10% allowance for private business use and private security or payment (see Section C) is reduced to 5% if the private business use is not related and proportionate to the governmental use. In order to be related, a facility that is used for a private business use must generally be related functionally to, and located within or adjacent to, the governmental facility. In order to be proportionate, the amount of Proceeds used for the private business use may not exceed the amount of Proceeds used for the related governmental use.

8. The participation of the Issuer in the Shared Savings Program under the Patient Protection and Affordable Care Act through an accountable care organization ("ACO") in itself will not result in private business use if all of the following conditions are met:

- The terms of the Issuer's participation (including its share of Shared Savings Program payments or losses and expenses) are set forth in advance in a written agreement negotiated at arm's length.

- The Centers for Medicare and Medicaid Services ("CMS") has accepted the ACO into, and has not terminated the ACO from, the Shared Savings Program.

- The Issuer's share of economic benefits derived from the ACO (including its share of Shared Savings Program payments) is proportional to the benefits or contributions the Issuer provides to the ACO. If the Issuer receives an ownership interest in the ACO, the ownership interest received is proportional and equal in value to its capital contributions to the ACO and all ACO returns of capital, allocations, and distributions are made in proportion to ownership interests.

- The Issuer's share of the ACO's losses (including its share of Shared Savings Program losses) does not exceed the share of ACO economic benefits to which the Issuer is entitled.

- All contracts and transactions entered into by the Issuer with the ACO and the ACO's participants, and by the ACO with the ACO's participants and any other parties, are at fair market value.

- The Issuer does not contribute or otherwise transfer the property financed with tax-exempt bonds to the ACO unless the ACO is an entity that is a governmental person.
9. A management, service or incentive payment contract with a Nongovernmental Person with respect to a bond-financed facility gives rise to private business use unless, generally, the following requirements are followed, each as defined and interpreted more fully in IRS Revenue Procedure 2017-13:

(a) The payments to the service provider under the contract represents reasonable compensation for services rendered during the term of the contract which may include reimbursement of actual and direct expenses paid by the service provider and related administrative overhead expenses of the service provider;

(b) The contract does not provide a share of net profits (or a compensation methodology which is based upon both revenues and expenses (other than reimbursements)) from the operation of the managed property; provided, however, that permitted arrangements include reimbursements and any combination of capitation fees, periodic fixed fees and per-unit fees and incentive compensation which satisfies the requirements of IRS Revenue Procedure 2017-13;

(c) The contract does not, in substance, impose upon the service provider the burden of bearing any share of net losses from the operation of the managed property; however, such an arrangement is permitted if the compensation is payable at least annually; the Issuer is subject to reasonable consequences for late payment, such as reasonable interest charges or late payment fees; and the Issuer will pay such deferred compensation (with interest or late payment fees) no later than the end of five years after the original due date of the payment;

(d) The term of the contract, including all renewal options that are not cancelable by the Issuer is not greater than the lesser of 30 years or 80 percent of the weighted average reasonably expected economic life of the managed property;

(e) The Issuer exercises a significant degree of control over the use of the managed property, for example, by having to approve the annual budget, rates and charges and capital expenditures for, and the disposition, nature and type of use of, the managed property;

(f) The Issuer bears risk of loss upon damage or destruction of the managed property (subject to insurance or penalties for the service provider's failure to operate the managed property in accordance with the standards set forth in the contract);

(g) The service provider has agreed that it is not entitled to and will not take any tax position that is inconsistent with being a service provider to the Issuer with respect to the managed property, including, for example, an agreement not to claim any depreciation or amortization deduction, investment tax credit, or deduction for any payment as rent with respect to the managed property; and

(h) (i) no more than 20 percent of the voting power of the governing body of the Issuer is vested in the directors, officers, shareholders, partners, members, and employees of the service provider, in the aggregate; (ii) the governing body of the
Issuer does not include the chief executive officer of the service provider or the chairperson (or equivalent executive) of the service provider’s governing body; and (iii) the chief executive officer of the service provider is not the chief executive officer of the Issuer or any of the Issuer’s related parties (as defined in §1.150–1(b)).

C. Private Security or Payment Test

1. The security for, and payment of debt service on, the Bonds is determined from both the terms of the Bond documents and on the basis of any underlying arrangement between the Issuer and a Nongovernmental Person.

2. In determining whether the Bonds meet the Private Security or Payment Test, the present value (at the Bond Yield or, in the case of variable rate Bonds, at the initial rate on the Bonds) of the payments or property taken into account under Regs. §1.141-4(c) is compared to the present value of the debt service to be paid over the term of the Bonds, with the adjustments set forth in Regs. §1.141-4(b).

3. Generally applicable taxes are not treated as private business payments as long as such taxes are not in the nature of fees for goods or services, have a uniform tax rate that is applied to all persons of the same classification in the appropriate jurisdiction and have a generally applicable manner of determination and collection.

4. Private business payments and security are allocated among different sources of funding for the same project in accordance with the provisions of Regs. §1.141-4(c)(3).

D. Private Loan Financing Test

1. Any transaction that is generally characterized as a loan for Federal income tax purposes is a loan for purposes of the Private Loan Financing Test. In addition, a loan may arise from the direct lending of Proceeds or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed.

2. In determining whether the Proceeds are used to make or finance loans, indirect, as well as direct, use of the Proceeds is taken into account, without discounting the amount loaned to reflect the present value of the loan repayments.

3. Prepayments, grants and tax assessment loans are not treated as loans for purposes of the Private Loan Financing Test if the conditions in Regs. §1.141-5(c) and (d) are satisfied.

E. Nongovernmental Output Property

1. The limitation on using Proceeds for Nongovernmental Output Property applies generally to the acquisition of existing energy facilities from a Nongovernmental Person.
2. Certain limited exceptions to this rule apply where the Issuer has historically supplied energy in the same service area (including certain annexed areas) as that served by the facilities to be purchased.
CERTIFICATE OF DEKALB LIBRARY BOARD

The undersigned officer of the DeKalb Library does hereby certify that the aggregate principal amount of tax-exempt obligations that the DeKalb Library Board has issued or expects to issue in 2019 is $0.

IN WITNESS WHEREOF, I have hereunto set my hand, this 23rd day of October, 2019.

Susan Richter
Title: Treasurer
POST-BOND ISSUANCE COMPLIANCE CHECKLIST

City of DeKalb, Illinois
General Obligation Refunding Bonds, Series 2019
Date of Issuance: October 23, 2019
Procedures Dated: October 23, 2019

(Defined terms as set forth in “Procedures for Post-Issuance Bond Compliance” relating to the Bonds)

<table>
<thead>
<tr>
<th>Deadline</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>While Sale Proceeds of Prior Bonds Unspent</td>
<td>Sale Proceeds of Bonds must be spent on the related Project – monitor.</td>
</tr>
<tr>
<td>Sale Proceeds of Prior Bonds</td>
<td>Reasonable method of allocating expenditures of Sale Proceeds of Bonds implemented; detailed records kept until at least the fifth anniversary of the retirement of the Bonds.</td>
</tr>
<tr>
<td>While Sale Proceeds of Prior Bonds Unspent</td>
<td>Detailed records kept of Sale Proceeds of Bonds expenditures and investment earnings; monitor investment earnings in excess of Bond Yield.</td>
</tr>
<tr>
<td>(Five years after Date of Issue)</td>
<td>First mandatory arbitrage Rebate Determination Date; 90% or more of accrued positive arbitrage (if any) must be paid within 60 days – contact Bond Counsel 60 days prior to Rebate Determination Date.</td>
</tr>
<tr>
<td>Every five years from the Date of Issue; or on the last day of every fifth bond year.</td>
<td>Interim mandatory arbitrage Rebate Determination Dates; 90% or more of accrued positive arbitrage (if any) must be paid within 60 days of each date – contact Bond Counsel 60 days prior to each interim Rebate Determination Date.</td>
</tr>
<tr>
<td>While Bonds Remain Outstanding</td>
<td>Monitor and keep up-to-date records of any Private Business Use, Private Payment or Private Loan arrangements– No more than 5% de minimis amount. Consult with Bond Counsel prior to any such arrangements.</td>
</tr>
<tr>
<td>While Bonds Remain Outstanding</td>
<td>No Change of Use – Consult with Bond Counsel prior to any arrangement possibly resulting in Change of Use.</td>
</tr>
<tr>
<td>Deadline</td>
<td>Requirement</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>While Bonds Remain Outstanding</td>
<td>If event of possible non-compliance with applicable sections of Code or Regulations – consult with Bond Counsel immediately to determine if Remedial Action necessary.</td>
</tr>
<tr>
<td>While Bonds Remain Outstanding</td>
<td>Consult with Bond Counsel on a periodic basis for any changes in the applicable laws or changes in the interpretation of applicable laws.</td>
</tr>
<tr>
<td>While Bonds Remain Outstanding</td>
<td>“Significant Modification” to material term of Bonds – Re-issuance. Monitor all finance transactions related to Bonds and consult with Bond Counsel if possible change in material term of Bonds.</td>
</tr>
<tr>
<td>(maturity of Bonds or date of final retirement of Bonds, if earlier)</td>
<td>Final mandatory arbitrage Rebate Determination Date; 100% of accrued positive arbitrage (if any) must be paid within 60 days – contact Bond Counsel 60 days prior to Rebate Determination Date.</td>
</tr>
<tr>
<td>Five years after date of retirement of Bonds and refunding of Bonds</td>
<td>Records of Bond documents kept including Rebate Reports, Bond Counsel opinions, IRS Forms 8038 and all other documentation related to the Bonds.</td>
</tr>
</tbody>
</table>
PROCEDURES FOR POST-BOND ISSUANCE COMPLIANCE

The “Post-Bond Issuance Compliance Checklist,” including these “Procedures for Post-Bond Issuance Compliance” (together, the “Procedures”) have been adopted by the Issuer (as defined herein), as general guidelines for the purpose of ensuring compliance with the applicable Federal laws and Regulations in relation to the General Obligation Refunding Bonds, Series 2019 (the “Bonds”) including, but not limited to Sections 141, 148 and 149 of the Code.

OFFICIAL RESPONSIBLE FOR REVIEW

The Issuer hereby identifies the City Manager (the “Designee”) as the individual responsible for implementing the Procedures and ensuring post-bond issuance compliance for the Bonds.

The Designee shall implement the Procedures in conjunction with the Tax Compliance Certificate for the Bonds (the “Tax Certificate”); shall be responsible for performing all other actions necessary to ensure post-bond issuance compliance; and shall periodically consult with Bond Counsel to determine whether there are any changes in the laws or the interpretation of the laws applicable to the Bonds. The Designee may delegate responsibility for certain portions of these Procedures and enact additional procedures for the purpose of complying with all pertinent provisions of the Code and the Regulations. Changes to the Procedures and the Tax Compliance Certificate may be made in consultation with Bond Counsel, in the manner provided in the Tax Compliance Certificate.

DEFINITIONS

Capitalized terms used herein have the meanings set forth herein. Other words and phrases used herein have the same meanings as in the Code, the Regulations, and the Tax Compliance Certificate unless another meaning is apparent from the context.

“Bond Counsel” means Katten Muchin Rosenman LLP.

“Bond Yield” means the composite yield on the Bonds calculated in accordance with Regulations Section 1.148-4.

“Code” means the Internal Revenue Code of 1986 as in effect on the Date of Issue.

“Date of Issue” means October 23, 2019.

“Funds” means the funds and accounts identified in Article V of each of the Tax Compliance Certificate to the extent allocable to the Bonds.
“Investment Proceeds” generally means amounts actually or constructively received from investing the Proceeds of the Bonds and from reinvesting any such earnings.

“IRS” means the Internal Revenue Service.

“Issuer” means City of DeKalb, Illinois.

“Nongovernmental Person” means any individual or entity other than a state or local governmental unit.

“Private Business Use” has the meaning set forth in the Tax Compliance Certificate.

“Project” is the Refunding Project as defined in the Tax Compliance Certificate.

“Rebate Report” means a report containing calculations of Bond Yield, the Yield on the investments of Sale Proceeds of the Bonds and with schedules showing the expenditure of Sale Proceeds of the Bonds to determine the arbitrage rebate liability under the Code for the applicable computation period.

“Rebate Determination Date” means each of the following dates: (a) every fifth anniversary of the Date of Issue (or such earlier date as the Issuer may elect in accordance with the Regulations); and (b) the earlier of the scheduled final maturity date of the Bonds or any date prior thereto on which all outstanding Bonds are paid and retired.

“Rebate Expert” means any person or firm expert in making the computations required under Section 148(f) of the Code selected by the Issuer.

“Regulations” means the final, temporary and proposed regulations promulgated by the United States Treasury Department and in effect on the Date of Issue with respect to the provisions of the Code.

“Sale Proceeds” means (i) any amounts actually or constructively received from the sale of the Bonds, including amounts used to pay underwriters’ discount or compensation but excluding accrued interest that is to be paid within one year of the Date of Issue, (ii) amounts derived (on or after the date hereof) from the sale of a right that is associated with the Bonds (such as the Issuer’s right to prepay the Bonds) and (iii) in the case of a hedge allocated to the Bonds that is intended to be terminated on the Date of Issue, the amount paid (or deemed to be paid) by the Issuer in connection with such termination is a reduction in the amount of Sale Proceeds and the amount received (or deemed to be received) by the Issuer in connection with such termination is an addition to the amount of Sale Proceeds, as determined under Section 1.148-4(h)(5)(ii) of the Regulations.

“Yield” means, with respect to the Bonds, the Bond Yield and, with respect to any other obligation or Investment Property, the yield calculated in accordance with Regulations Section 1.148-5(b).
SUPervision of Project; Due Diligence Review at Regular Intervals; Use and Allocation of Sale Proceeds

1. The Designee shall monitor all payments made with the Sale Proceeds of the Bonds and keep detailed records of all expenditures of the Sale Proceeds of the Bonds.

2. The Designee shall maintain detailed books and records showing allocations of specific Sale Proceeds of the Bonds to specific expenditures consistent with the purposes of the Code, as provided in Section 401 of the Tax Compliance Certificate and shall keep said records until at least the fifth anniversary of the retirement of the Bonds and any related refunding bonds.

Private Uses, Payments and Security Interests, Timely Identification of Change in Use and Other Non-Compliance; and Procedures for Remedial Action

1. During the period that the Bonds related to the Project remain outstanding the Designee will monitor and keep a record of any Private Business uses, payments and security interests in relation to the Project to ensure that there is no such arrangement with a private entity (which includes the federal government) beyond the permitted 5% (five percent) de minimis amount. Examples of transactions which the IRS will deem result in Private Business uses, payments or security interests include, but are not limited to:

   (a) sale of Bond financed facilities to a non-qualifying entity;
   (b) lease of Bond financed facilities to a non-qualifying entity;
   (c) non-qualified management contract under Rev. Proc. 97-13;
   (d) non-qualified research contract under Rev. Proc. 97-14;
   (e) special legal entitlement to the Bond financed facilities given to a Nongovernmental Person;
   (f) unrelated business activity income in the Bond financed facility over the permitted de minimis amount;
   (g) activity in Bond financed facility which jeopardizes the 501(c)(3) status of a borrower;
   (h) debt service on the Bonds derived, directly or indirectly, from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used by any Nongovernmental Person in its trade or business;
   (i) debt service on the Bonds secured, directly or indirectly, by any interest in property used or to be used by a Nongovernmental Person in its trade or business or by any interest in payments in respect of such property; and

-5-
(j) proceeds of the Bonds used (directly or indirectly) to make or finance loans (or any arrangement treated as the economic equivalent of a loan under Federal income tax principles) to Nongovernmental Persons.

2. The Designee shall maintain up-to-date records of any and all Private Business uses, payments or security interests related to the Project in order to monitor the percentage of such arrangements related to the Project and ensure that they do not exceed the permitted amount.

3. Once the Designee is notified that the Issuer is contemplating entering into any transaction or agreement related to a Project, the Designee shall collect all the pertinent information regarding the nature of the transaction and the entities involved and promptly notify Bond Counsel of the proposed transaction. The Designee shall collaborate with Bond Counsel in order to ensure that the Issuer remains compliant with applicable provisions of the Code relating to the applicable Bonds and does not result in excessive Private Business Use of a Project or a "change in use" of a Project.

4. The Designee shall continuously monitor all of the Issuer's public finance and related finance transactions. The Designee shall review all proposed documentation related to said transactions and consult with Bond Counsel to determine whether there is or will be any post-bond issuance "significant modification" to any material term of the Bonds which could be deemed a "re-issuance" of the Bonds under Treas. Reg. Sec. 1.1001-3 of the Code.

5. The Designee shall notify the Issuer and consult with Bond Counsel immediately if in the Designee's knowledge, any facts or circumstances arise which indicate that any of the applicable Code or Regulation provisions have been violated.

6. In the event that Bond Counsel determines that the Issuer must engage in a remedial action pursuant to the provisions of the Code, the Designee shall take the necessary actions to ensure that all non-qualified Bonds shall be remediated in accordance with the requirements of Treas. Reg. Sec. 1.141-12 as follows:

(a) The Designee shall act with due diligence to determine or cause to be determined, the proper form of remedial action under the Code.

(b) The Designee shall provide Bond Counsel with all of the documentation and information required for the remedial action.

(c) The Designee shall provide or cause to be provided the proper notice to the IRS, the defeasance of the non-qualifying Bonds, and the filing of the applicable Form 8038.

(d) The Designee shall maintain records of all documentation related to any remedial action taken in relation to the Bonds.
ARBITRAGE YIELD RESTRICTION AND REBATE REQUIREMENTS

During the period the Bonds remain outstanding, the Designee shall follow the procedures outlined below to monitor and maintain detailed records with respect to the investment and expenditure of the Sale Proceeds of the Bonds; prepare, or cause to be prepared all pertinent calculations to determine any arbitrage rebate liability; and ensure the timely payment of any arbitrage rebate liability to the U.S. Treasury as provided in of the Tax Compliance Certificate, and in compliance with Section 148(f) of the Code and the applicable Regulations.

1. The Designee shall collect on a monthly basis, statements and any other related information relating to the expenditure and investment of the Sale Proceeds of the Bonds, including trust statements with detailed investment activity including: type of investment; date of purchase and purchase price; interest rate; maturity date; interest payment dates, interest calculation method; date of sale and sale price. The Designee shall maintain said records for at least five years following the retirement of the Bonds and any related refunding bonds.

2. During the period that the Bonds remain outstanding, the Designee shall maintain records and documents of any payments made or received by the Issuer as well as copies of all pertinent documentation related to hedges or qualified guarantees entered into with respect to the Bonds.

3. Not later than the 30th day after each anniversary of the Date of Issue until all the Proceeds of the Bonds are spent, the Designee shall determine whether a Rebate Report is needed at that time and, if so, will contact the Rebate Expert. The Designee shall coordinate with the Rebate Expert to obtain the necessary information to prepare the Rebate Report.

4. Sixty days prior to the first Rebate Determination Dates, as provided in the Code, the Designee shall prepare or cause to be prepared by a Rebate Expert, a Rebate Report to ensure compliance with arbitrage restrictions and rebate requirements, and to determine whether there is any rebate liability with respect to the Bonds. The Designee shall coordinate with the Rebate Expert to obtain the necessary information to prepare the Rebate Reports.

5. Sixty days prior to every Rebate Determination Date subsequent to the first Rebate Determination Date, the Designee shall prepare or cause to be prepared by a Rebate Expert, a Rebate Report to ensure compliance with arbitrage restrictions and rebate requirements, and to determine whether there is any rebate liability with respect to the Bonds. The Designee shall coordinate with the Rebate Expert to obtain the necessary information to prepare the Rebate Reports.

6. Not more than 60 days after each Rebate Computation Date, if that there have been any earnings resulting from investing Sale Proceeds of the Bonds or pledged funds at a yield in excess of the Bond Yield, the Designee shall send or cause to be sent a completed and executed IRS Form 8038-T related to the applicable Bond issue with the payment required under the Code and Regulations to the United States Treasury by certified mail (return-receipt requested), postage prepaid, to the Internal Revenue Service, Ogden Submission Processing Center, Ogden, Utah 84201, or any other address as required by the IRS.
7. If a rebate payment has not been paid by the due date, the Designee shall take such actions as instructed by the Rebate Expert and/or Bond Counsel to ensure that the payment is made with appropriate filings and interest so as to protect the continued tax-exemption of the Bonds.

8. The Designee shall maintain copies of all Rebate Reports, Bond Counsel opinions (if any) and other documentation related to the rebate liability on the Bonds. The Designee shall also keep copies of any Forms 8038-T filed and related payments made to the IRS along with any related documentation.

TRAINING OF ISSUER OFFICIALS AND EMPLOYEES

1. The Designee will determine as soon as reasonably practicable after the date of adoption of these Procedures the need for any education or training with respect to Procedures. The Designee will consult with Bond Counsel as necessary and will ensure that the appropriate education is provided to the appropriate employees as needed. As new employees under the supervision of the current Designee or successor Designees are given responsibilities to implement any of the procedures or responsibilities described in these Procedures, such employees or Designee will receive training with respect to applicable Bond requirements. The Designee will consult with Bond Counsel as necessary to ensure that the appropriate training and education are provided to the identified employees as needed.

2. In the event of Designee becomes aware of changes in the law governing the Bond requirements, the Designee will consult with Bond Counsel as necessary to ensure that appropriate officials and employees are promptly informed of such changes as necessary.

RETENTION OF ADEQUATE RECORDS

The Designee will maintain all documentation related to the Bonds and any other bonds issued to refund the Bonds (the "Refunding Bonds"). Said documentation with respect to both the Bonds and Refunding Bonds includes but is not limited to documentation relating to the bond issuance; changes in any bond terms; records showing how Available Project Proceeds are spent; investment agreements and earnings related to the Available Project Proceeds; Arbitrage Rebate reports, IRS Forms 8038-G; Bond Counsel opinions; and all contracts relating to the use of the Project. These records are to be maintained for the life of the Bonds and up to five (5) years after the date of retirement of the Bonds or, if later, the Refunding Bonds.
IN WITNESS WHEREOF, the undersigned has hereunto subscribed his official signature as of the date above.

CITY OF DEKALB

By: [Signature]

Bill Nicklas
City Manager
Information Return for Tax-Exempt Governmental Bonds

- Under Internal Revenue Code section 149(e)
- See separate instructions.
- Caution: if the issue price is under $100,000, use Form 8038-GC.
- Go to www.irs.gov/Form8038G for instructions and the latest information.

Part I Reporting Authority

1. Issuer's name
   City of DeKalb

3a. Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)
   DeKalb, Illinois 60115

5. Report number (For IRS Use Only)

7. Date of issue
   October 23, 2019

9. CUSIP number
   None

10a. Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)

10b. Telephone number of officer or other employee shown on 10a

Bill Nicklas, City Manager
(b1b) 148-2000

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11. Education

12. Health and hospital

13. Transportation

14. Public safety

15. Environment (including sewage bonds)

16. Housing

17. Utilities

18. Other. Describe ► Public Buildings and Infrastructure

19a. If bonds are TANs or RANs, check only box 19a

19b. If bonds are BANs, check only box 19b

20. If bonds are in the form of a lease or installment sale, check box

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

21. Final maturity date
   01/01/2028

22. Issue price
   $3,925,000

23. Issuer of issue price at maturity
   $3,925,000

24. Weighted average maturity
   5.6054 years

25. Yield
   1.8196%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22. Proceeds used for accrued interest

23. Proceeds used for bond issuance costs (including underwriters' discount)
   34,078

24. Proceeds used for credit enhancement

25. Proceeds allocated to reasonably required reserve or replacement fund

26. Proceeds used to refund prior tax-exempt bonds. Complete Part V

27. Proceeds used to refund prior taxable bonds. Complete Part V

28. Total (add lines 24 through 28)

29. Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)

30. Description of Refunded Bonds. Complete this part only for refunding bonds.

31. Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded

32. Enter the last date on which the refunded tax-exempt bonds will be called

33. Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)

34. For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 637738

Form 8038-G (Rev. 9-2018)
### Part VI: Miscellaneous

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>35</strong></td>
<td>Enter the amount of the state volume cap allocated to the issue under section 141(b)(5).</td>
</tr>
<tr>
<td><strong>36a</strong></td>
<td>Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions.</td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>Enter the final maturity date of the GIC (MM/DD/YYYY).</td>
</tr>
<tr>
<td><strong>c</strong></td>
<td>Enter the name of the GIC provider.</td>
</tr>
<tr>
<td><strong>37</strong></td>
<td>Pooled financing: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units.</td>
</tr>
<tr>
<td><strong>38a</strong></td>
<td>If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:</td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>Enter the date of the master pool bond (MM/DD/YYYY).</td>
</tr>
<tr>
<td><strong>c</strong></td>
<td>Enter the EIN of the issuer of the master pool bond.</td>
</tr>
<tr>
<td><strong>d</strong></td>
<td>Enter the name of the issuer of the master pool bond.</td>
</tr>
<tr>
<td><strong>39</strong></td>
<td>If the issuer has designated the issue under section 265(b)(3)(B)(i)(II) (small issuer exception), check box.</td>
</tr>
<tr>
<td><strong>40</strong></td>
<td>If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box.</td>
</tr>
<tr>
<td><strong>41a</strong></td>
<td>If the issuer has identified a hedge, check box and enter the following information:</td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>Name of hedge provider.</td>
</tr>
<tr>
<td><strong>c</strong></td>
<td>Type of hedge.</td>
</tr>
<tr>
<td><strong>d</strong></td>
<td>Term of hedge.</td>
</tr>
<tr>
<td><strong>42</strong></td>
<td>If the issuer has superintegrated the hedge, check box.</td>
</tr>
<tr>
<td><strong>43</strong></td>
<td>If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box.</td>
</tr>
<tr>
<td><strong>44</strong></td>
<td>If the issuer has established written procedures to monitor the requirements of section 148, check box.</td>
</tr>
<tr>
<td><strong>45a</strong></td>
<td>If some portion of the proceeds was used to reimburse expenditures, check box and enter the amount of reimbursement.</td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>Enter the date the official intent was adopted (MM/DD/YYYY).</td>
</tr>
</tbody>
</table>

### Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

**Signature of issuer's authorized representative**: [Signature]

**Date**: 10-10-19

**Bill Nicklas, City Manager**

**Type or print name and title**: [City Manager]

### Paid Preparer

<table>
<thead>
<tr>
<th>Name</th>
<th>Preparer's signature</th>
<th>Date</th>
<th>Check if self-employed</th>
<th>PTIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lewis Croonbea</td>
<td>[Signature]</td>
<td>10/21/19</td>
<td>[ ]</td>
<td>PO1065342</td>
</tr>
</tbody>
</table>

**Firm's name**: Katten Muchin Rosenman LLP

**Firm's EIN**: 36 2796532

**Firm's address**: 525 West Monroe Street, Chicago, IL 60661-3693

**Phone number**: (312) 902-5200

---

*Form 8038-G (Rev. 9-2018)*
**Sender: Please print your name, address, and ZIP+4 in this box**

Lewis Greenbaum – office #17059
Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, IL 60661-3693

**RECEIVED**

NOV 06 2019
Office Services

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

   Internal Revenue Service Center
   Ogden Submission Processing Center
   Ogden, UT 84201

2. Article Number
   (Transfer from service label)

   7006 3450 0000 0919 7935

   PS Form 3811, February 2004
   Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature
   
   □ Agent
   □ addressee
   
   X
   
   B. Received by (Printed Name)
   
   C. Date of Delivery
   
   D. Is delivery address different from item 1?
   
   □ Yes
   □ No

3. Service Type
   
   □ Certified Mail
   □ Express Mail
   □ Registered
   □ Return Receipt for Merchandise
   □ Insured Mail
   □ C.O.D.

4. Restricted Delivery? (Extra Fee)
   
   □ Yes

**U.S. Postal Service**

**CERTIFIED MAIL® RECEIPT**
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com.

Postage
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Postage & Fees

Sent To

Internal Revenue Service Center
Ogden Submission Processing Center
Ogden, UT 84201

Return To

Lewis Greenbaum – office #17059
Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, IL 60661-3693

DeKalb 2019
#223885-00046
IRS Form 8036-G

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10
CITY OF DEKALB  
DEKALB COUNTY, ILLINOIS (THE "CITY")  
$3,925,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019 (THE "BONDS")  
PRIVATE PLACEMENT  
TERM SHEET  

AMOUNT: $3,925,000  
TYPE: General Obligation Refunding Bonds, Series 2019  
ORDINANCE APPROVAL DATE: September 9, 2019  
BID DUE DATE AND AWARD: October 1, 2019 by noon  
DATED DATE: October 23, 2019  
DELIVERY DATE: October 23, 2019  
INTEREST PAYMENT DATES: The Bonds will pay interest semi-annually on each January 1 and July 1, commencing on July 1, 2020. Interest is calculated on the basis of a 360 day-year of twelve 30-day months.  

AMORTIZATION:  

<table>
<thead>
<tr>
<th>January 1</th>
<th>Amount*</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$ 20,000</td>
<td>1.820%</td>
</tr>
<tr>
<td>2022</td>
<td>35,000</td>
<td>1.820%</td>
</tr>
<tr>
<td>2023</td>
<td>185,000</td>
<td>1.820%</td>
</tr>
<tr>
<td>2024</td>
<td>870,000</td>
<td>1.820%</td>
</tr>
<tr>
<td>2025</td>
<td>885,000</td>
<td>1.820%</td>
</tr>
<tr>
<td>2026</td>
<td>905,000</td>
<td>1.820%</td>
</tr>
<tr>
<td>2027</td>
<td>920,000</td>
<td>1.820%</td>
</tr>
<tr>
<td>2028</td>
<td>105,000</td>
<td>1.820%</td>
</tr>
</tbody>
</table>

AVERAGE LIFE: 5.605 Years  
REDEMPTION: The Bonds are not subject to optional redemption prior to maturity. However, the Purchaser may elect to designate one or more maturities as a term bond, which shall be so specified above. Any term bonds will be subject to mandatory redemption, in integral multiples of $5,000 selected by lot by the Registrar, in the amounts currently specified for the serial bonds, at a redemption price of par plus accrued interest to the redemption date.  
SECURITY: Pursuant to the home rule powers of the City to incur debt payable from ad valorem property tax receipts and for the purpose of financing said appropriation, unlimited tax general obligation bonds of the City shall be issued and sold in an aggregate principal amount of not to exceed $4,000,000 and shall be designated “General Obligation Refunding Bonds, Series 2019” (the “2019 Bonds”). The full faith and credit of the City will be irrevocably pledged to the punctual payment of the principal of and interest
on the 2019 Bonds. The 2019 Bonds shall be direct and general obligations of the City, and the City shall be obligated to levy ad valorem taxes upon all the taxable property in the City for the payment of the 2019 Bonds and the interest thereon, without limitation as to rate or amount.

PURPOSE:
Proceeds of the Bonds (i) together with funds of the City on hand and legally available for such purpose, will be used to refund certain of the City’s outstanding General Obligation Refunding Bonds, Series 2010B (the “Refunded Bonds”), and (ii) will be used to pay costs associated with the issuance of the Bonds.

TAX EXEMPTION:
Bond Counsel is anticipated to render its opinion that under existing law, if there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the “Code”), interest on the Bonds will be excluded from the gross income of the owners thereof for Federal income tax purposes. Bond Counsel is also anticipated to render its opinion that the Bonds will not be “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds will not be an item of tax preference for purposes of computing alternative minimum taxable income.

Interest on the Bonds will not be exempt from Illinois income taxes.

BANK QUALIFIED:
The Bonds are “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

AUTHORITY:
The home rule powers of the City and an ordinance adopted by the City Council of the City on the 9th day of September, 2019, as supplemented by a Bond Order.

RATING:
The Bonds will not be rated.

BOND INSURANCE:
None

DENOMINATION OF BONDS:
$100,000 each and authorized integral multiples of $5,000 in excess thereof.

PURCHASER:
JPMorgan Chase Bank, NA.

PURCHASE PRICE:
Par

MUNICIPAL ADVISOR:
Raymond James and Associates, Inc.

BOND COUNSEL:
Katten Muchin Rosenman LLP

REGISTRAR/PAYING AGENT:
Amalgamated Bank of Chicago

SOPHISTICATED INVESTOR LETTER
The Purchaser will be expected to certify to the City that (i) it has knowledge and experience in financial and business matters, including the acquisition and holding of obligations such as the Bonds, (ii) it is capable of evaluating the merits and risks of purchasing the Bonds and is able to bear such risks, (iii) it intends to hold the Bonds to maturity and (iv) it is not purchasing the Bonds for resale or other disposition.

ACKNOWLEDGEMENT THAT THE PURCHASER IS NOT A FIDUCIARY, ETC.
The City acknowledges and agrees that: (i) the Purchaser has financial and other interests that differ from those of the City, (ii) the Purchaser is not acting as a municipal advisor, financial advisor or fiduciary to the City and has not assumed any advisory or fiduciary responsibility to the City with
respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (Irrespective of whether the Purchaser has provided other services or is currently providing other services to the City on other matters), and (iii) the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein.

OPINION OF BOND COUNSEL: Appendix A

DEBT SERVICE SCHEDULE: Appendix B

CITY AND FINANCIAL INFORMATION: Appendices C and D

SIGNED, this 1st day of October, 2019:

City Manager  
City of DeKalb  
DeKalb County, Illinois

By: JPMorgan Chase Bank, NA
APPENDIX A

The City Council of
the City of DeKalb, Illinois

[Purchaser]

We have examined a record of proceedings relating to the issuance of $____,000 principal amount of General Obligation Refunding Bonds, Series 2019 (the “Bonds”) of the City of DeKalb, a municipal corporation and a home rule unit of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, and by virtue of an ordinance adopted by the City Council of the City on September 9, 2019 and entitled: “Ordinance Authorizing the Issuance of Not to Exceed $4,000,000 General Obligation Refunding Bonds, Series 2019, of the City of DeKalb, Illinois” (the “Bond Ordinance”).

The Bonds are issuable in the form of fully registered bonds in the denominations of $100,000 or any integral multiple of $5,000 in excess of $100,000. Bonds delivered on original issuance are dated ____________, 2019. The Bonds mature on January 1, 2028. The Bonds bear interest from their date at the rate of ______% per annum, payable on July 1, 2020 and semiannually thereafter on each January 1 and July 1.

The Bonds are subject to mandatory redemption prior to maturity, in part and by lot, at the redemption price of par, on January 1 of the years 2021 to 2027, both inclusive, and in the following principal amounts:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$____,000</td>
</tr>
<tr>
<td>2022</td>
<td>_____,000</td>
</tr>
<tr>
<td>2023</td>
<td>_____,000</td>
</tr>
<tr>
<td>2024</td>
<td>_____,000</td>
</tr>
<tr>
<td>2025</td>
<td>_____,000</td>
</tr>
<tr>
<td>2026</td>
<td>_____,000</td>
</tr>
<tr>
<td>2027</td>
<td>_____,000</td>
</tr>
</tbody>
</table>

We have not been requested to examine and have not examined any documents or information relating to the City other than the record of proceedings hereinabove referred to, and we express no opinion as to any financial or other information, or the adequacy thereof, which has been or may be supplied to the purchasers of the Bonds.
In our opinion, the Bonds are valid and legally binding general obligations of the City of DeKalb and the City is obligated to levy ad valorem taxes upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount. However, the enforceability of rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and remedies heretofore or hereafter enacted.

We are of the opinion that under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the “Code”), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Bonds are not “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The City has covenanted in the Bond Ordinance to comply with these requirements.

Pursuant to the Bond Ordinance, the City has designated the Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3)(B) of the Code.

Interest on the Bonds is not exempt from Illinois income taxes.

Very truly yours,

LG: bae
APPENDIX B

Debt Service Schedule
## BOND DEBT SERVICE

City of DeKalb, IL  
General Obligation Refunding Bonds, Series 2019  
***FINAL - CHASE BID***

<table>
<thead>
<tr>
<th>Period Ending</th>
<th>Principal</th>
<th>Coupon</th>
<th>Interest</th>
<th>Debt Service</th>
<th>Annual Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01/2020</td>
<td>20,000</td>
<td>1.82%</td>
<td>49,210.78</td>
<td>49,210.78</td>
<td>104,928.28</td>
</tr>
<tr>
<td>07/01/2021</td>
<td>35,000</td>
<td>1.82%</td>
<td>35,535.50</td>
<td>55,717.50</td>
<td>106,071.00</td>
</tr>
<tr>
<td>07/01/2022</td>
<td>185,000</td>
<td>1.82%</td>
<td>35,217.00</td>
<td>70,535.50</td>
<td>255,434.00</td>
</tr>
<tr>
<td>07/01/2023</td>
<td>33,533.50</td>
<td></td>
<td>33,533.50</td>
<td>903,533.50</td>
<td>937,067.00</td>
</tr>
<tr>
<td>07/01/2024</td>
<td>870,000</td>
<td>1.82%</td>
<td>25,616.50</td>
<td>25,616.50</td>
<td>936,233.00</td>
</tr>
<tr>
<td>07/01/2025</td>
<td>885,000</td>
<td>1.82%</td>
<td>25,616.50</td>
<td>910,616.50</td>
<td>940,126.00</td>
</tr>
<tr>
<td>07/01/2026</td>
<td>905,000</td>
<td>1.82%</td>
<td>17,563.00</td>
<td>17,563.00</td>
<td>940,126.00</td>
</tr>
<tr>
<td>07/01/2027</td>
<td>920,000</td>
<td>1.82%</td>
<td>9,327.50</td>
<td>9,327.50</td>
<td>938,655.00</td>
</tr>
<tr>
<td>07/01/2028</td>
<td>105,000</td>
<td>1.82%</td>
<td>955.50</td>
<td>955.50</td>
<td>106,911.00</td>
</tr>
</tbody>
</table>

| Total         | 3,925,000 | 400,425.28 | 4,325,425.28 | 4,325,425.28 |
TAX BASE INFORMATION

Sales Receipts

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Merchandise</td>
<td>$1,453,310</td>
<td>$1,429,831</td>
<td>$1,374,207</td>
<td>$1,340,436</td>
<td>$1,374,575</td>
<td>$305,660</td>
</tr>
<tr>
<td>Food</td>
<td>656,027</td>
<td>625,744</td>
<td>600,619</td>
<td>614,029</td>
<td>605,570</td>
<td>141,163</td>
</tr>
<tr>
<td>Drinking and Eating Places</td>
<td>723,751</td>
<td>736,908</td>
<td>751,366</td>
<td>781,994</td>
<td>774,159</td>
<td>188,902</td>
</tr>
<tr>
<td>Apparel</td>
<td>91,562</td>
<td>96,826</td>
<td>93,077</td>
<td>87,527</td>
<td>89,401</td>
<td>19,388</td>
</tr>
<tr>
<td>Furniture of H.H. &amp; Radio</td>
<td>202,993</td>
<td>222,194</td>
<td>213,615</td>
<td>205,429</td>
<td>207,960</td>
<td>45,642</td>
</tr>
<tr>
<td>Lumber, Bldg, Hardware</td>
<td>262,152</td>
<td>266,676</td>
<td>281,154</td>
<td>281,768</td>
<td>264,157</td>
<td>49,656</td>
</tr>
<tr>
<td>Automotive &amp; Filing Stations</td>
<td>839,334</td>
<td>816,447</td>
<td>750,907</td>
<td>818,865</td>
<td>886,578</td>
<td>198,722</td>
</tr>
<tr>
<td>Drugs &amp; Misc. Retail</td>
<td>819,008</td>
<td>868,831</td>
<td>898,509</td>
<td>882,885</td>
<td>904,183</td>
<td>214,980</td>
</tr>
<tr>
<td>Agriculture &amp; All Others</td>
<td>305,106</td>
<td>267,896</td>
<td>267,171</td>
<td>295,365</td>
<td>283,441</td>
<td>62,249</td>
</tr>
<tr>
<td>Manufacturers</td>
<td>33,929</td>
<td>14,558</td>
<td>37,034</td>
<td>40,924</td>
<td>40,353</td>
<td>7,688</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$5,388,173</strong></td>
<td><strong>$5,345,911</strong></td>
<td><strong>$5,267,659</strong></td>
<td><strong>$5,349,222</strong></td>
<td><strong>$5,430,376</strong></td>
<td><strong>$1,235,050</strong></td>
</tr>
</tbody>
</table>

Number of Taxpayers

785
807
813
826
805
581

Source: Illinois Department of Revenue

(1) Sales made during January, February and March 2019.

Taxes Extended and Collected

<table>
<thead>
<tr>
<th>Tax Levy Year/Collection Year</th>
<th>Taxes Extended</th>
<th>Taxes Collected and Distributed</th>
<th>Percent Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14</td>
<td>$4,766,571</td>
<td>$4,838,976</td>
<td>101.52%</td>
</tr>
<tr>
<td>2014/15</td>
<td>4,763,673</td>
<td>4,867,755</td>
<td>102.18%</td>
</tr>
<tr>
<td>2015/16</td>
<td>5,589,785</td>
<td>5,683,626</td>
<td>101.68%</td>
</tr>
<tr>
<td>2016/17</td>
<td>6,056,973</td>
<td>6,157,195</td>
<td>101.65%</td>
</tr>
<tr>
<td>2017/18</td>
<td>6,497,652</td>
<td>6,505,598</td>
<td>100.12%</td>
</tr>
<tr>
<td>2018/19</td>
<td>6,511,425</td>
<td>6,247,306</td>
<td>95.94% (1)</td>
</tr>
</tbody>
</table>

Source: DeKalb County Treasurer’s Office.

(1) Reflects collections through September 9, 2019.
### Tax Rates

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of DeKalb</td>
<td>1.0245</td>
<td>1.1942</td>
<td>1.2021</td>
<td>1.2268</td>
<td>1.1883</td>
</tr>
<tr>
<td>DeKalb Library</td>
<td>0.3868</td>
<td>0.4911</td>
<td>0.4562</td>
<td>0.3872</td>
<td>0.2081</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1.4113</td>
<td>1.6853</td>
<td>1.6583</td>
<td>1.6140</td>
<td>1.3964</td>
</tr>
<tr>
<td>DeKalb County</td>
<td>1.2483</td>
<td>1.2364</td>
<td>1.1429</td>
<td>1.2101</td>
<td>1.0951</td>
</tr>
<tr>
<td>DeKalb Township</td>
<td>0.1797</td>
<td>0.1820</td>
<td>0.1724</td>
<td>0.1709</td>
<td>0.1683</td>
</tr>
<tr>
<td>DeKalb Road &amp; Bridge</td>
<td>0.2106</td>
<td>0.2133</td>
<td>0.2020</td>
<td>0.2066</td>
<td>0.1961</td>
</tr>
<tr>
<td>Forest Preserve District</td>
<td>0.0876</td>
<td>0.0853</td>
<td>0.0799</td>
<td>0.0783</td>
<td>0.0766</td>
</tr>
<tr>
<td>Sanitary District</td>
<td>0.1486</td>
<td>0.1504</td>
<td>0.1425</td>
<td>0.1389</td>
<td>0.1375</td>
</tr>
<tr>
<td>DeKalb School District #428</td>
<td>8.2714</td>
<td>8.2500</td>
<td>7.8132</td>
<td>7.7209</td>
<td>7.3854</td>
</tr>
<tr>
<td>Kishwaukee Community College</td>
<td>0.7123</td>
<td>0.6972</td>
<td>0.6700</td>
<td>0.6669</td>
<td>0.6683</td>
</tr>
<tr>
<td>Park District</td>
<td>0.7969</td>
<td>0.7960</td>
<td>0.7559</td>
<td>0.7450</td>
<td>0.7366</td>
</tr>
</tbody>
</table>

Source: DeKalb County Clerk’s office.

### Principal Taxpayers

<table>
<thead>
<tr>
<th>Taxpayer Name</th>
<th>2018 Equalized Assessed Value</th>
<th>Type of Business, Property</th>
<th>Percent of Total Equalized Assessed Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>3M</td>
<td>$23,713,383</td>
<td>Warehouse/Distributor</td>
<td>4.33%</td>
</tr>
<tr>
<td>Target</td>
<td>13,370,602</td>
<td>Warehouse/Distributor</td>
<td>2.44%</td>
</tr>
<tr>
<td>DeKalb Area Retirement Center</td>
<td>8,092,174</td>
<td>Retirement Center</td>
<td>1.48%</td>
</tr>
<tr>
<td>Panduit</td>
<td>7,346,728</td>
<td>Manufacturing</td>
<td>1.34%</td>
</tr>
<tr>
<td>ARC - Goodyear</td>
<td>6,790,603</td>
<td>Warehouse/Distributor</td>
<td>1.24%</td>
</tr>
<tr>
<td>Nestle – LIT Industrial Limited Partnership</td>
<td>6,305,108</td>
<td>Warehouse/Distributor</td>
<td>1.15%</td>
</tr>
<tr>
<td>DeKalb I Preservation – University Village I &amp; II</td>
<td>5,862,835</td>
<td>Apartments</td>
<td>1.07%</td>
</tr>
<tr>
<td>MCI Investments LLC – Bedi, Virender &amp; Sukhdarsh</td>
<td>4,444,415</td>
<td>Apartments</td>
<td>0.81%</td>
</tr>
<tr>
<td>Mason Properties</td>
<td>4,221,011</td>
<td>Apartments</td>
<td>0.77%</td>
</tr>
<tr>
<td>Fairview MSFP II, LLC</td>
<td>4,172,536</td>
<td>Warehouse/Distributor</td>
<td>0.76%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$84,319,395</td>
<td></td>
<td>15.39%</td>
</tr>
</tbody>
</table>

Source: DeKalb County Clerk’s office.

### Equalized Assessed Valuation

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$285,032,206</td>
<td>$283,233,886</td>
<td>$298,748,883</td>
<td>$305,785,673</td>
<td>$316,779,699</td>
</tr>
<tr>
<td>Farm</td>
<td>1,010,413</td>
<td>1,020,259</td>
<td>1,098,215</td>
<td>1,162,643</td>
<td>1,184,329</td>
</tr>
<tr>
<td>Commercial</td>
<td>138,851,901</td>
<td>142,889,179</td>
<td>154,031,848</td>
<td>164,843,724</td>
<td>170,625,427</td>
</tr>
<tr>
<td>Industrial</td>
<td>38,459,111</td>
<td>38,998,251</td>
<td>48,012,868</td>
<td>55,827,547</td>
<td>57,198,687</td>
</tr>
<tr>
<td>Railroad</td>
<td>1,612,750</td>
<td>1,936,167</td>
<td>1,970,015</td>
<td>2,009,877</td>
<td>2,159,545</td>
</tr>
<tr>
<td><strong>Total EAV</strong></td>
<td>$464,966,381</td>
<td>$468,077,742</td>
<td>$503,861,829</td>
<td>$529,629,464</td>
<td>$547,947,687</td>
</tr>
</tbody>
</table>

Source: DeKalb County Clerk’s Office.
## DEBT INFORMATION

### Direct General Obligation Bonds (Principal Only)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$1,060,000</td>
<td>$680,000</td>
<td>$305,000</td>
<td>$700,000</td>
<td>$340,000</td>
<td>$20,000</td>
<td>$3,085,000</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>1,105,000</td>
<td>715,000</td>
<td>315,000</td>
<td>725,000</td>
<td>345,000</td>
<td>35,000</td>
<td>3,225,000</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>1,145,000</td>
<td>755,000</td>
<td>325,000</td>
<td>745,000</td>
<td>345,000</td>
<td>35,000</td>
<td>3,005,000</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>$150,000</td>
<td>645,000</td>
<td>765,000</td>
<td>335,000</td>
<td>($150,000)</td>
<td>185,000</td>
<td>1,930,000</td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>840,000</td>
<td>780,000</td>
<td>345,000</td>
<td>875,000</td>
<td>($840,000)</td>
<td>870,000</td>
<td>1,995,000</td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>875,000</td>
<td>795,000</td>
<td>355,000</td>
<td>885,000</td>
<td>($875,000)</td>
<td>885,000</td>
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<td>2026</td>
<td>915,000</td>
<td>810,000</td>
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<td>($915,000)</td>
<td>905,000</td>
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<td>170,000</td>
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<td>2030</td>
<td>170,000</td>
<td>505,000</td>
<td>420,000</td>
<td></td>
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<tr>
<td>2031</td>
<td>170,000</td>
<td>435,000</td>
<td>435,000</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2032</td>
<td>170,000</td>
<td>450,000</td>
<td>450,000</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>2033</td>
<td>170,000</td>
<td>470,000</td>
<td>470,000</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

| Total         | $3,310,000                      | $3,905,000                    | $2,795,000                    | $6,195,000                    | $5,290,000                    | $2,170,000                    | ($3,905,000)                      | $24,370,000             |

---

## Direct General Obligation Bonds (Principal and Interest)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,171,200</td>
<td>$175,968</td>
<td>$834,380</td>
<td>$130,681</td>
<td>$489,225</td>
<td>$765,100</td>
<td>$350,576</td>
<td>($87,984)</td>
<td>$3,829,146</td>
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<tr>
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<td>1,172,900</td>
<td>175,968</td>
<td>834,700</td>
<td>130,681</td>
<td>490,075</td>
<td>769,100</td>
<td>350,327</td>
<td>(175,968)</td>
<td>3,852,712</td>
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<tr>
<td>2020</td>
<td>1,167,900</td>
<td>175,968</td>
<td>836,090</td>
<td>130,681</td>
<td>490,625</td>
<td>767,350</td>
<td>350,327</td>
<td>(175,968)</td>
<td>3,498,718</td>
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<tr>
<td>2021</td>
<td>325,968</td>
<td>683,055</td>
<td></td>
<td>895,681</td>
<td>490,875</td>
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<td></td>
<td></td>
<td>2,325,046</td>
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<td>1,009,593</td>
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<td></td>
<td>895,381</td>
<td>480,825</td>
<td></td>
<td></td>
<td></td>
<td>2,323,274</td>
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<tr>
<td>2023</td>
<td>1,008,053</td>
<td></td>
<td></td>
<td>894,781</td>
<td>490,475</td>
<td></td>
<td></td>
<td></td>
<td>2,321,490</td>
</tr>
<tr>
<td>2024</td>
<td>1,009,115</td>
<td></td>
<td></td>
<td>893,881</td>
<td>489,825</td>
<td></td>
<td></td>
<td></td>
<td>2,323,832</td>
</tr>
<tr>
<td>2025</td>
<td>1,007,483</td>
<td></td>
<td></td>
<td>897,681</td>
<td>487,963</td>
<td></td>
<td></td>
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<td>2,324,300</td>
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<td>178,075</td>
<td></td>
<td></td>
<td>895,044</td>
<td>489,838</td>
<td></td>
<td></td>
<td></td>
<td>1,491,793</td>
</tr>
<tr>
<td>2027</td>
<td></td>
<td>897,088</td>
<td></td>
<td>491,188</td>
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<td>1,388,276</td>
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<tr>
<td>2028</td>
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<td>517,625</td>
<td></td>
<td>491,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,008,625</td>
</tr>
<tr>
<td>2029</td>
<td></td>
<td></td>
<td></td>
<td>489,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>489,200</td>
</tr>
<tr>
<td>2030</td>
<td></td>
<td></td>
<td></td>
<td>486,800</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>486,800</td>
</tr>
<tr>
<td>2031</td>
<td></td>
<td></td>
<td></td>
<td>488,800</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>488,800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,512,000</strong></td>
<td><strong>$5,066,191</strong></td>
<td><strong>$3,188,225</strong></td>
<td><strong>$7,179,205</strong></td>
<td><strong>$6,856,714</strong></td>
<td><strong>$2,301,550</strong></td>
<td><strong>$700,903</strong></td>
<td><strong>($4,978,204)</strong></td>
<td><strong>$28,152,010</strong></td>
</tr>
</tbody>
</table>

---

FINANCIAL INFORMATION

Selected Financial Information

Estimated Full Value of Taxable Property, 2018: $1,643,843,061
Equalized Assessed Valuation of Taxable Property, 2018: $547,947,687
Population Estimate: 43,862

General Obligation Bonded Debt: $24,370,000
Other Direct General Obligation Debt:
  IEPA Loans $1,389,155
  Leases $148,998
  Total Direct General Obligation Debt: $25,909,153

Percentage to Full Value of Taxable Property: 1.58%
Percentage to Equalized Assessed Valuation: 4.73%
Per Capita: $590.70

(1) Preliminary, subject to change.
## Combined Statement of Revenues, Expenditures (General Governmental Funds)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$15,998,012</td>
<td>$16,652,074</td>
<td>$17,104,968</td>
<td>$18,443,942</td>
<td>$18,920,431</td>
</tr>
<tr>
<td>Licenses &amp; Permits</td>
<td>554,740</td>
<td>713,565</td>
<td>876,788</td>
<td>707,768</td>
<td>539,473</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>10,565,657</td>
<td>12,069,108</td>
<td>11,748,169</td>
<td>11,404,327</td>
<td>11,756,755</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>1,817,681</td>
<td>1,895,685</td>
<td>2,143,615</td>
<td>2,380,424</td>
<td>2,791,182</td>
</tr>
<tr>
<td>Fines &amp; Forfeits</td>
<td>897,493</td>
<td>915,578</td>
<td>796,390</td>
<td>641,159</td>
<td>679,760</td>
</tr>
<tr>
<td>Interest</td>
<td>84,758</td>
<td>121,787</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment Income</td>
<td>-</td>
<td>-</td>
<td>(26,140)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>765,310</td>
<td>709,645</td>
<td>390,654</td>
<td>442,395</td>
<td>454,079</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$30,683,651</strong></td>
<td><strong>$33,077,442</strong></td>
<td><strong>$33,034,444</strong></td>
<td><strong>$34,122,094</strong></td>
<td><strong>$35,363,599</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures: Current</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>$5,134,851</td>
<td>$7,165,790</td>
<td>$5,012,558</td>
<td>$4,775,211</td>
<td>$5,174,108</td>
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<tr>
<td>Public Safety</td>
<td>19,859,836</td>
<td>20,433,722</td>
<td>21,397,418</td>
<td>23,375,804</td>
<td>24,643,856</td>
</tr>
<tr>
<td>Community Development</td>
<td>4,015,770</td>
<td>3,813,573</td>
<td>1,047,614</td>
<td>1,432,257</td>
<td>1,560,179</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>242,514</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures:</strong></td>
<td><strong>$29,010,457</strong></td>
<td><strong>$31,655,599</strong></td>
<td><strong>$30,744,360</strong></td>
<td><strong>$32,891,546</strong></td>
<td><strong>$34,684,476</strong></td>
</tr>
</tbody>
</table>

Excess (Deficiency) of Revenues
Over (Under) Expenditures  $1,673,194  $1,421,843  $2,290,084  $1,230,548  $679,123

Other Financing Sources (Uses):
- Debt Issuance
- Payment to Escrow Agent
- Disposal of Capital Assets 42,185 520 496 5,100 1,362
- Transfers In 1,965,590 2,211,897 508,965 655,181 310,400
- Transfers (Out) (2,844,307) (2,557,439) (1,536,138) (2,046,150) (2,661,827)

Total Other Financing Sources (Uses) ($336,532) ($345,022) ($1,026,677) ($1,385,869) ($2,350,065)

Net Change in Fund Balance: $336,662  $1,076,821  $1,263,407  ($155,321)  ($1,670,942)

Fund Balances - Beginning $5,220,937 $7,144,432 (1) $8,221,253 $9,229,120 (2) $9,073,799
Fund Balances - Ending $6,057,599 $8,221,253 $9,484,660 $9,073,799 $7,402,857

Source: Audited Financial Statements of the City for Fiscal Years ending June 30, 2014 to June 30, 2016 and December 31, 2017 to December 31, 2018.

(1) Beginning Fund Balance Restated.
(2) The City changed its Fiscal Year end from June 30 to December 31, effective December 31, 2016.
## Balance Sheet

### Assets:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Investments</td>
<td>$3,989,467</td>
<td>$5,151,986</td>
<td>$7,050,360</td>
<td>$5,388,771</td>
<td>$3,708,272</td>
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<tr>
<td>Receivables - Net of Allowances</td>
<td>2,226,555</td>
<td>2,028,395</td>
<td>2,591,483</td>
<td>6,153,901</td>
<td>6,168,919</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>734,957</td>
<td>472,677</td>
<td>491,863</td>
<td>658,962</td>
<td>849,666</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>43,374</td>
<td>13,438</td>
<td>13,689</td>
<td>5,559</td>
<td>886</td>
</tr>
<tr>
<td>Other Interest</td>
<td>79,921</td>
<td>106,723</td>
<td>565,275</td>
<td>1,344,055</td>
<td>1,416,285</td>
</tr>
<tr>
<td>Other</td>
<td>1,911</td>
<td>19,993</td>
<td>96,677</td>
<td>60,510</td>
<td></td>
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<tr>
<td>Total Liabilities</td>
<td>$12,056,306</td>
<td>$12,889,500</td>
<td>$14,981,331</td>
<td>$18,027,738</td>
<td>$16,210,499</td>
</tr>
</tbody>
</table>

### Liabilities:

<table>
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<tr>
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<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$990,809</td>
<td>$1,505,657</td>
<td>$1,523,122</td>
<td>$1,717,270</td>
<td>$1,486,666</td>
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<tr>
<td>Accrued Payroll</td>
<td>658,280</td>
<td>474,301</td>
<td>582,219</td>
<td>715,360</td>
<td>733,665</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>-</td>
<td>-</td>
<td>11,858</td>
<td>352,317</td>
<td>417,168</td>
</tr>
<tr>
<td>Other payables</td>
<td>1,091,764</td>
<td>13,696</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due to Library</td>
<td>-</td>
<td>-</td>
<td>11,160</td>
<td>1,224</td>
<td></td>
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<tr>
<td>Due to Other funds</td>
<td>588,704</td>
<td>338,877</td>
<td>67,437</td>
<td>3,931</td>
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<tr>
<td>Total Liabilities</td>
<td>$3,329,557</td>
<td>$2,332,531</td>
<td>$2,184,636</td>
<td>$2,800,038</td>
<td>$2,638,723</td>
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</table>

### Deferred Inflows of Resources:

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<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$2,669,150</td>
<td>$2,335,716</td>
<td>$3,121,035</td>
<td>$6,153,901</td>
<td>$6,168,919</td>
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<tr>
<td>Total Liabilities and Deferred Inflows of Resources</td>
<td>$5,998,707</td>
<td>$4,668,247</td>
<td>$5,496,671</td>
<td>$8,953,939</td>
<td>$8,807,642</td>
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</table>

### Fund Balances:

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<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
<td>$30,216</td>
<td>22,865</td>
<td>$361,584</td>
<td>$591,381</td>
<td>78,507</td>
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<tr>
<td>Restricted</td>
<td>104,523</td>
<td>173,187</td>
<td>-</td>
<td>210,625</td>
<td>171,555</td>
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<tr>
<td>Committed</td>
<td>6,262</td>
<td>6,447</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>5,816,938</td>
<td>8,018,754</td>
<td>9,123,076</td>
<td>8,271,793</td>
<td>7,152,795</td>
</tr>
<tr>
<td>Total Fund Balances</td>
<td>$6,057,899</td>
<td>$8,221,233</td>
<td>$9,484,660</td>
<td>$9,073,799</td>
<td>$7,402,857</td>
</tr>
</tbody>
</table>

### Total Liabilities, Deferred Inflows of Resources and Fund Balances:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12,056,306</td>
<td>$12,889,500</td>
<td>$14,981,331</td>
<td>$18,027,738</td>
<td>$16,210,499</td>
<td></td>
</tr>
</tbody>
</table>

Source: Audited Financial Statements of the City for Fiscal Years ending June 30, 2014 to June 30, 2016 and December 31, 2017 to December 31, 2018.
City's FY 2018 Comprehensive Annual Financial Report

The City's FY 2018 CAFR will be sent upon request.
PURCHASER’S RECEIPT AND CERTIFICATION

Receipt this day of the $3,925,000 General Obligation Refunding Bond, Series 2019 (the “Bond”) of the City of DeKalb, Illinois (the “City”) described in Schedule X attached hereto; and of the approving legal opinion of Katten Muchin Rosenman LLP is hereby acknowledged by JPMorgan Chase Bank, N.A., as the purchaser of Bond, and said purchaser by execution of this receipt consents to delivery of the Bond at this time.

JPMorgan Chase Bank, N.A., as the purchaser of the Bond, certifies that

1. The purchase price of the Bond was negotiated at arms-length with the City and no portion of the purchase price reflects payment for any service rendered or a concession for any service received.

2. JPMorgan Chase Bank, N.A. is the first purchaser of the Bond and has purchased the Bond as an investment for its own account and not in the capacity of a bond house, broker or similar person or organization acting in the capacity of an underwriter or wholesaler for resale to the public.

3. The Bond has not been reoffered for sale.

JPMORGAN CHASE BANK, N.A.

By

Dated: October 23, 2019
SCHEDULE X

CITY OF DEKALB, ILLINOIS
$3,925,000 General Obligation Refunding Bonds, Series 2019

Authorization: Section 6 of Article VII of the Illinois Constitution of 1970 and Ordinance Number 2019-058 adopted by the City Council of the City on September 9, 2019 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $4,000,000 General Obligation Refunding Bonds, Series 2019, of the City of DeKalb, Illinois" (the "Bond Ordinance").

Form: Fully registered bonds in the denominations of $100,000 or any multiple of $5,000 in excess of $100,000.

Depository: None.

Date: Dated as of October 23, 2019.

Record Dates: The 15th day of the calendar month next preceding the applicable interest payment date.

Interest Rate and Payment Dates: 1.82% per annum, payable on July 1, 2020 and semiannually thereafter on each January 1 and July 1.

Maturity: January 1, 2028.

Optional Redemption Provisions: None.

Mandatory Redemption Provisions: The Bonds are subject to mandatory redemption prior to maturity on January 1 of the years 2021 to 2027, both inclusive, in part and by lot, at a redemption price of par and in the following principal amounts:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$ 20,000</td>
</tr>
<tr>
<td>2022</td>
<td>35,000</td>
</tr>
<tr>
<td>2023</td>
<td>185,000</td>
</tr>
<tr>
<td>2024</td>
<td>870,000</td>
</tr>
<tr>
<td>2025</td>
<td>885,000</td>
</tr>
<tr>
<td>2026</td>
<td>905,000</td>
</tr>
<tr>
<td>2027</td>
<td>920,000</td>
</tr>
</tbody>
</table>

The final principal amount of the Bonds maturing on January 1, 2028, is $105,000.
INVESTOR LETTER

October 23, 2019

City of DeKalb, Illinois
200 South Fourth Street
DeKalb, Illinois 60115

Re: City of DeKalb, Illinois
$3,925,000 General Obligation Refunding Bonds, Series 2019 (the “Bonds”)

The above-referenced Bonds are being issued pursuant to an ordinance adopted by the City Council of the City of DeKalb, Illinois (the “City”) on September 9, 2019 (the “Ordinance”). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Ordinance.

The undersigned, on behalf of JPMorgan Chase Bank, N.A. (the “Purchaser”) represents, warrants and acknowledges as follows:

1. We understand that the Bonds have not been registered pursuant to the Securities Act of 1933, as amended (the “1933 Act”), the securities laws of any state, nor has the Ordinance been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Bonds (i) are not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, (ii) will not be listed on any securities exchange, (iii) will not carry a rating from any rating service on the date of purchase, and (iv) will not be delivered in a form that is readily marketable.

2. We have not offered, offered to sell, offered for sale or sold any of the Bonds by means of any form of general solicitation or general advertising, and we are not an underwriter of the Bonds within the meaning of Section 2(11) of the 1933 Act.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.

4. We have authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

5. The person signing this Investor Letter is a duly appointed, qualified and acting representative of the Purchaser and is authorized to cause the Purchaser to make the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.
6. The Purchaser is a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act, and, as such, is able to bear the economic risks of such investment in the Bonds.

7. The Purchaser understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Bonds. The Purchaser has made its own inquiry and analysis with respect to the City, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds. The Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the Bonds. The Purchaser is aware that the activities of the City involve certain economic variables and risks that could adversely affect the security for the Bonds.

8. The Purchaser acknowledges that it is familiar with the condition, financial or otherwise, of the City and it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the City, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Bonds and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Bonds. The Purchaser acknowledges that it does not require further information from the City for purposes of purchasing the Bonds.

9. The Bonds are being acquired by the Purchaser for its own account and not with a present view toward resale or distribution and the Purchaser intends to hold the Bonds for its own account.

10. The Purchaser agrees to comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Bonds by it, and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

JPMORGAN CHASE BANK, N.A.

[Signature]
Name: Paul K. M
Title: Vice President
2019 ESCROW DEPOSIT AGREEMENT

2019 ESCROW DEPOSIT AGREEMENT dated as of October 23, 2019, by and between the City of DeKalb (the “City”), a municipal corporation and a home rule unit of the State of Illinois and Amalgamated Bank of Chicago (the “Escrow Agent”), a bank organized and existing under the laws of the State of Illinois and having its principal corporate trust office in the City of Chicago, Illinois.

WHEREAS, there are now outstanding and unpaid $3,905,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2010B, of the City (the “Prior Bonds”), which are more particularly described as follows:

$3,905,000 General Obligation Refunding Bonds, Series 2010B

<table>
<thead>
<tr>
<th>Registrar/Paying Agent:</th>
<th>Amalgamated Bank of Chicago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Due:</td>
<td>January 1</td>
</tr>
<tr>
<td>Interest Due:</td>
<td>January 1 and July 1</td>
</tr>
<tr>
<td>Maturities and Interest Rates:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2023</td>
</tr>
<tr>
<td></td>
<td>2024</td>
</tr>
<tr>
<td></td>
<td>2025</td>
</tr>
<tr>
<td></td>
<td>2026</td>
</tr>
<tr>
<td></td>
<td>2027</td>
</tr>
<tr>
<td></td>
<td>2028</td>
</tr>
</tbody>
</table>

WHEREAS, pursuant to the bond ordinance adopted by the City Council of the City on September 9, 2019 (the “Bond Ordinance”), the City has authorized the issuance of its $3,925,000 General Obligation Refunding Bonds, Series 2019 (the “Series 2019 Bonds”) and part of the proceeds of the Series 2019 Bonds will be used to refund the Prior Bonds.

WHEREAS, the City has elected to redeem the Prior Bonds, on January 1, 2020 at the redemption price of par.

WHEREAS, a portion of the proceeds of the Series 2019 Bonds and the City cash contribution of $87,983.75 (the “Cash Contribution”) are to be invested in the obligations set forth in Schedule A attached hereto so that the maturing principal of and the interest earned on such obligations together with other moneys held hereunder will be sufficient to pay the redemption price of the Prior Bonds and the interest on the Prior Bonds as the same shall become due and payable.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:
1. There is hereby created and established with the Escrow Agent, a special and irrevocable escrow fund designated the "2019 Escrow Fund" (the "Escrow Fund") to be held in the custody of the Escrow Agent separate and apart from other funds of or held by the City or the Escrow Agent.

2. Concurrently with the execution of this Agreement, the City shall deliver to the Escrow Agent for deposit into the Escrow Fund (i) the $87,983.75 City Contribution and (ii) $3,890,921.63 from the proceeds of the Series 2019 Bonds, of which $0.38 shall be held uninvested and $3,978,905 shall be applied to purchase the United States Treasury Securities – State and Local Government Series listed in Schedule A attached hereto (the "Government Obligations").

3. The deposit of moneys and Government Obligations in and credited to the Escrow Fund shall constitute an irrevocable deposit of said moneys and Government Obligations and the interest earned thereon for the benefit of the owners of the Prior Bonds. The Escrow Agent shall deposit any proceeds (whether principal, interest or otherwise) derived from the Government Obligations in the Escrow Fund. The Escrow Agent shall pay over the moneys in the Escrow Fund to The Depository Trust Company, in an amount sufficient to pay when due and payable the interest on the Prior Bonds and the redemption price of the Prior Bonds.

4. Except as provided herein, the Escrow Agent shall have no power or duty to invest any moneys held hereunder or to sell, transfer or otherwise dispose of, or to make substitutions of, the Government Obligations.

The Escrow Agent shall not make substitutions of the Government Obligations held hereunder or sell, transfer or otherwise dispose of such Government Obligations provided, however, that:

(a) At the written request of the City and upon compliance with the conditions hereinafter stated, the Escrow Agent shall, to the extent from time to time permitted by law, have the power to sell, transfer, otherwise dispose of or request the redemption of the Government Obligations acquired hereunder and to substitute therefor other non-callable, direct obligations of the United States of America, Refcorp interest strips or securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America has been pledged to any such direct obligation or guarantee. The Escrow Agent shall purchase such substituted Government Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Government Obligations. The substitution of Government Obligations described above may be effected only if:

(i) the Escrow Agent shall certify, in reliance upon an opinion of a firm of independent certified public accountants, that the moneys and Government Obligations, including the interest to be earned thereon, to be substituted will be no less than an amount sufficient to pay the redemption price of the Prior Bonds and to pay interest on the Prior Bonds to the applicable date of redemption upon completion of such substitutions; and
(ii) the City shall furnish the Escrow Agent with an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds to the effect that the substitution is then permitted by law and will not cause any of the Prior Bonds or the Series 2019 Bonds to become an "arbitrage bond" as hereinafter defined.

(b) If any substitution of Government Obligations pursuant to the provisions of the preceding subparagraph (a) shall, after the satisfaction of all of the conditions set forth in clauses (i) and (ii) of said subparagraph (a), result in the creation of any surplus amount in the Escrow Fund that will not, in the opinion of the firm of independent certified public accountants referred to in clause (i) of said subparagraph (a), thereafter be required for the payment of the redemption price of or interest on the Prior Bonds in accordance with the provisions of this Agreement, the amount of such surplus shall, at the written request of the City, be transferred to the City.

The City hereby covenants that no part of the moneys or funds at any time in the Escrow Fund shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any of the Prior Bonds or the Series 2019 Bonds to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder, as then in effect.

5. The City has irrevocably elected to redeem certain of the Prior Bonds as provided in the Bond Ordinance and this Agreement. The City hereby directs the Amalgamated Bank of Chicago as Paying Agent for the Prior Bonds to provide The Depository Trust Company with irrevocable instructions regarding the redemption of the Prior Bonds.

6. The owners of the Prior Bonds shall have an express lien on all moneys and obligations in the Escrow Fund until paid out and applied in accordance with this Agreement. The Escrow Agent shall not have a lien or claim on the Escrow Fund for the payment of its fees and expenses.

7. In consideration of all services rendered and to be rendered by the Escrow Agent under this Agreement, the City will pay the Escrow Agent a fee at the time of issuance of the 2019 Bonds.

8. The Escrow Agent, acting in good faith and in its sole discretion, may disregard any and all notices or instructions given by the City or by any other person, firm or corporation, except (i) notices or instructions specifically provided for under this Agreement and (ii) orders or process of any court. If any property subject to this Agreement is at any time attached, garnished, or levied upon under any court order or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part thereof, then and in any of such events the Escrow Agent, in its sole discretion, may rely upon and comply with any such order, writ, judgment, or decree which it is advised by its legal counsel is binding upon it.
9. The Escrow Agent shall not be personally liable for any action taken or omitted under this Agreement if taken or omitted in good faith and in the exercise of its own best judgment. The Escrow Agent shall also be duly protected in relying upon any written notice, demand, certificate or document that it in good faith believes to be genuine.

The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the City to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charges against the amount of any such judgment, decree or recovery.

10. This Agreement shall terminate on January 15, 2020. Any moneys and obligations remaining in the Escrow Fund upon termination of this Agreement shall be transferred to the City.

11. If any one or more of the covenants or agreements provided in this Agreement on the part of the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

12. This Agreement is made for the benefit of the City, the Escrow Agent and the owners from time to time of the Prior Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such owners, and the written consent of the Escrow Agent; provided however, that the City and the Escrow Agent may, without the consent of, or notice to, such owners, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such owners and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Agreement; and

(b) to grant to, or confer upon the Escrow Agent for the benefit of the owners of the Prior Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, the Escrow Agent.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Agreement, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the owners of the Prior Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section.

13. Any notice, authorization, request for consent or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing.
14. This Agreement may be executed in several counterparts, all of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have each caused this 2019 Escrow Deposit Agreement to be executed by their duly authorized officers as of the date first above written.

\[\text{CITY OF DEKALB}\]

By:

[Signature]

Mayor

Attest:

By:

[Signature]

City Clerk

\[\text{SEAL}\]

\[\text{AMALGAMATED BANK OF CHICAGO}\]

By:

[Signature]

Authorized Officer

Attest:

By:

[Signature]

Authorized Officer
SCHEDULE A
GOVERNMENT OBLIGATIONS
CITY OF DEKALB
DEKALB COUNTY, ILLINOIS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019

DESCRIPTION OF THE ESCRewed SECuritY
AS OF OCTOBER 23, 2019

<table>
<thead>
<tr>
<th>Type</th>
<th>Settlement Date</th>
<th>Maturity Date</th>
<th>Par Amount</th>
<th>Coupon Rate</th>
<th>Price</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLGS</td>
<td>23-Oct-19</td>
<td>01-Jan-20</td>
<td>$3,978,905.00</td>
<td>1.85%</td>
<td>100.000000%</td>
<td>$3,978,905.00</td>
</tr>
</tbody>
</table>

$3,978,905.00

$3,978,905.00
CERTIFICATE OF ESCROW AGENT

AMALGAMATED BANK OF CHICAGO (the “Bank”), a bank having its principal corporate trust office in the City of Chicago, Illinois, and having trust powers, HEREBY CERTIFIES that:

1. The Bank has accepted its appointment as Escrow Agent under the 2019 Escrow Deposit Agreement dated as of October 23, 2019, by and between the City of DeKalb, Illinois (the “City”) and the Bank and hereby acknowledges its acceptance of the duties imposed upon it as Escrow Agent under said Agreement and its receipt for deposit under the 2019 Escrow Deposit Agreement of the moneys and Government Obligations described therein.

2. Pursuant to the by-laws of the Bank or action of the Board of Directors of the Bank, the following officers of the Bank are duly authorized to execute instruments of trust on behalf of the Bank, the signatures of such officers are true and genuine and I know such officers and I know them to hold their respective offices set opposite their several signatures.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Name</th>
<th>Office or Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CATHEY WALLS</td>
<td>Assistant Vice President</td>
</tr>
</tbody>
</table>

3. The seal which is impressed upon this certificate is the proper and official corporate seal of the Bank.

IN WITNESS WHEREOF, the undersigned has executed this certificate on behalf of the Bank and has caused the seal of the Bank to be affixed hereto, this 23rd day of October, 2019.

AMALGAMATED BANK OF CHICAGO

By [Signature]
Title: Vice President

(SEAL)
CITY OF DEKALB, ILLINOIS
ELECTION TO REDEEM
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010B

October 23, 2019

The Depository Trust Company
New York, New York

As depository for the $3,905,000 outstanding principal amount of the General Obligation Refunding Bonds, Series 2010B (the “Series 2010B Bonds”), of the City of DeKalb, Illinois (the “City”) you are hereby notified that the City has irrevocably elected to redeem all of the Series 2010B Bonds on January 1, 2020, at a redemption price of 100% of the principal amount thereof. The Series 2010B Bonds to be redeemed are described as follows:

<table>
<thead>
<tr>
<th>Maturity (January 1)</th>
<th>Principal Amount</th>
<th>CUSIP Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>$150,000</td>
<td>240775 MJ2</td>
</tr>
<tr>
<td>2024</td>
<td>840,000</td>
<td>240775 MK9</td>
</tr>
<tr>
<td>2025</td>
<td>875,000</td>
<td>240775 ML7</td>
</tr>
<tr>
<td>2026</td>
<td>915,000</td>
<td>240775 MM5</td>
</tr>
<tr>
<td>2027</td>
<td>955,000</td>
<td>240775 MN3</td>
</tr>
<tr>
<td>2028</td>
<td>170,000</td>
<td>240775 MP8</td>
</tr>
</tbody>
</table>

You are hereby instructed to give notice of the redemption of the Series 2010B Bonds to the beneficial owners of the Series 2010B Bonds. The “publication date” for such notice is November 18, 2019.

You are further notified that by virtue of the deposit of moneys and United States Treasury Obligations in trust pursuant to the 2019 Escrow Deposit Agreement, dated as of October 23, 2019, by and between the City and Amalgamated Bank of Chicago, as escrow agent, provision has been made for the payment of the redemption price of the Series 2010B Bonds on the Redemption Date and for the payment of all interest on the Series 2010B Bonds that will become payable on the Redemption Date.

CITY OF DEKALB

By: [Signature]
Bill Nicklas
City Manager
STATE OF ILLINOIS
COUNTY OF DEKALB

CERTIFICATE OF PARTIAL REDUCTION OF TAXES HERETOFORE LEVIED FOR THE PAYMENT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010B AND TAXABLE SERIES 2010C, OF THE CITY OF DEKALB, ILLINOIS

TO THE COUNTY CLERK OF DEKALB, ILLINOIS

1. The undersigned, being the duly qualified and acting City Manager of the City of DeKalb, Illinois (the “City”), having been directed and authorized by an ordinance of the City to prepare and file this Certificate, do hereby certify and notify you as follows:


2. Pursuant to Ordinance No. 10-65 and a Certificate of Abatement Regarding General Obligation Refunding Bonds, Series 2010B and Taxable Series 2010C of the City of DeKalb, Illinois dated November 17, 2010, the City has heretofore levied taxes in amounts sufficient to pay maturing principal of and interest on the Series 2010B Bonds and the Series 2010C Bonds maturing in the years 2021 through 2028, inclusive, as set forth below:

<table>
<thead>
<tr>
<th>For the Year</th>
<th>A Tax Sufficient to Produce the Sum of:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$1,010,667.50</td>
</tr>
<tr>
<td>2020</td>
<td>1,012,057.50</td>
</tr>
<tr>
<td>2021</td>
<td>1,009,022.50</td>
</tr>
<tr>
<td>2022</td>
<td>1,009,592.50</td>
</tr>
<tr>
<td>2023</td>
<td>1,008,052.50</td>
</tr>
<tr>
<td>2024</td>
<td>1,009,115.00</td>
</tr>
<tr>
<td>2025</td>
<td>1,007,482.50</td>
</tr>
<tr>
<td>2026</td>
<td>178,075.00</td>
</tr>
</tbody>
</table>

3. Pursuant to the 2019 Escrow Deposit Agreement dated as of October 23, 2019, between the City and Amalgamated Bank of Chicago, as Escrow Agent, provision has been made for the payment of the principal of and interest on the $3,905,000 principal amount of the Series 2010B Bonds, by the deposit of Governmental Obligations with the Escrow Agent in an amount sufficient to pay such debt service with respect to the Series 2010B Bonds when due and payable. The Series 2010B Bonds will be redeemed in full on January 1, 2020.

4. You are hereby notified and directed to make proper reduction of the taxes currently levied for the years 2019 through 2026 and referred to in paragraph 2 by abating such taxes to the amounts set forth in the column described under “Amount of Levy After Abatement.”
<table>
<thead>
<tr>
<th>Tax Levy Year</th>
<th>Original Levy</th>
<th>Amount to be Abated</th>
<th>Amount of Levy After Abatement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$1,010,667.50</td>
<td>$175,967.50</td>
<td>$834,700.00</td>
</tr>
<tr>
<td>2020</td>
<td>1,012,057.50</td>
<td>175,967.50</td>
<td>836,090.00</td>
</tr>
<tr>
<td>2021</td>
<td>1,009,022.50</td>
<td>325,967.50</td>
<td>683,055.00</td>
</tr>
<tr>
<td>2022</td>
<td>1,009,592.50</td>
<td>1,009,592.50</td>
<td>-0-</td>
</tr>
<tr>
<td>2023</td>
<td>1,008,052.50</td>
<td>1,008,052.50</td>
<td>-0-</td>
</tr>
<tr>
<td>2024</td>
<td>1,009,115.00</td>
<td>1,009,115.00</td>
<td>-0-</td>
</tr>
<tr>
<td>2025</td>
<td>1,007,482.50</td>
<td>1,007,482.50</td>
<td>-0-</td>
</tr>
<tr>
<td>2026</td>
<td>178,075.00</td>
<td>178,075.00</td>
<td>-0-</td>
</tr>
</tbody>
</table>

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 23rd day of October, 2019.

City Manager
COUNTY CLERK'S RECEIPT

RECEIPT IS HEREBY ACKNOWLEDGED this 29 day of October, 2019, of a duplicate original of the "Certificate of Partial Reduction of Taxes Heretofore Levied For the Payment of General Obligation Refunding Bonds, Series 2010B and Taxable Series 2010C, of the City of DeKalb, Illinois", manually executed by the City Manager of the City of DeKalb, Illinois, and it is hereby certified that the same has been deposited in the official files and records of my office and that the taxes heretofore levied for the years 2019 to 2026, inclusive, for the payment of the Series 2010B Bonds and the Series 2010C Bonds of the City, as described in said Certificate, will be reduced and abated as provided in said Certificate.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of DeKalb County, this 29 day of October, 2019.

[Signature]
County Clerk of the County of DeKalb, Illinois
October 23, 2019

The City Council of
the City of DeKalb, Illinois

JPMorgan Chase Bank, N.A.

We have examined a record of proceedings relating to the issuance of $3,925,000 principal amount of General Obligation Refunding Bonds, Series 2019 (the “Bonds”) of the City of DeKalb, a municipal corporation and a home rule unit of the State of Illinois. The Bonds are authorized and issued pursuant to the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, and by virtue of an ordinance adopted by the City Council of the City on September 9, 2019 and entitled: “Ordinance Authorizing the Issuance of Not to Exceed $4,000,000 General Obligation Refunding Bonds, Series 2019, of the City of DeKalb, Illinois” (the “Bond Ordinance”).

The Bonds are issuable in the form of fully registered bonds in the denominations of $100,000 or any multiple of $5,000 in excess of $100,000. Bonds delivered on original issuance are dated October 23, 2019. The Bonds mature on January 1, 2028. The Bonds bear interest from their date at the rate of 1.82% per annum, payable on July 1, 2020 and semiannually thereafter on each January 1 and July 1.

The Bonds are subject to mandatory redemption prior to maturity, in part and by lot, at the redemption price of par, on January 1 of the years 2021 to 2027, both inclusive, and in the following principal amounts:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$20,000</td>
</tr>
<tr>
<td>2022</td>
<td>35,000</td>
</tr>
<tr>
<td>2023</td>
<td>185,000</td>
</tr>
<tr>
<td>2024</td>
<td>870,000</td>
</tr>
<tr>
<td>2025</td>
<td>885,000</td>
</tr>
<tr>
<td>2026</td>
<td>905,000</td>
</tr>
<tr>
<td>2027</td>
<td>920,000</td>
</tr>
</tbody>
</table>

We have not been requested to examine and have not examined any documents or information relating to the City other than the record of proceedings hereinabove referred to, and we express no opinion as to any financial or other information, or the adequacy thereof, which has been or may be supplied to the purchasers of the Bonds.

In our opinion, (i) the Bonds are valid and legally binding general obligations of the City of DeKalb and the City is obligated to levy ad valorem taxes upon all the taxable
property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount and (ii) the Bond Ordinance has been duly adopted, is in full force and effect and is a legal, valid and binding contract between the City and the owners of the Bonds that is enforceable against the City in accordance with its terms. However, the enforceability of rights or remedies with respect to the Bonds and the Bond Ordinance may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights and remedies heretofore or hereafter enacted.

We are of the opinion that under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the “Code”), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Bonds are not “private activity bonds” within the meaning of Section 141(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The City has covenanted in the Bond Ordinance to comply with these requirements.

Pursuant to the Bond Ordinance, the City has designated the Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3)(B) of the Code.

Interest on the Bonds is not exempt from Illinois income taxes.

Very truly yours,

LG:bae
No. 1

United States of America
State of Illinois
County of Dekalb

CITY OF DEKALB
GENERAL OBLIGATION REFUNDING BOND,
SERIES 2019

INTEREST RATE: 1.8346%
MATURITY DATE: January 1, 2028
DATED DATE: October 23, 2019

REGISTERED OWNER: JPMorgan Chase Bank, N.A.

PRINCIPAL AMOUNT: Three Million Nine Hundred Twenty-Five Thousand Dollars ($3,925,000)

The CITY OF DEKALB, a municipal corporation and a home rule unit of the State of Illinois situated in the County of DeKalb, acknowledges itself indebted and the value received hereby promises to pay to the registered owner of this bond, or registered assigns, the principal amount specified above on the maturity date specified above, and to pay interest on such principal amount from the date hereof at the interest rate per annum specified above, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on July 1, 2020 and semiannually thereafter on January 1 and July 1 in each year until the principal amount shall have been paid, to the registered owner of record hereof as of the 15th day of the calendar month next preceding such interest payment date, by wire transfer pursuant to an agreement by and between the City and the registered owner, or otherwise by check or draft mailed to the registered owner at the address of such owner appearing on the registration books maintained by the City for such purpose at the corporate trust office of Amalgamated Bank of Chicago, in the City of Chicago, Illinois, as bond registrar or its successor (the "Bond Registrar"). This bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the corporate trust office of the Bond Registrar. The full faith and credit of the City are irrevocably pledged for the punctual payment of the principal of and interest on this bond according to its terms.

This bond is one of a series of bonds issued in the aggregate principal amount of $3,925,000, which are authorized and issued under and pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and under and in accordance with an ordinance adopted by the City Council of the City on September 6, 2019 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed $4,980,000 General Obligation Refunding Bonds, Series 2019, of the City of DeKalb, Illinois." The bonds of such series are not subject to optional redemption prior to maturity.

The bonds of such series are subject to mandatory redemption, in part and by lot, on January 1 in the years and in the respective principal amounts set forth in the following table, by the application of sinking fund installments, at a redemption price equal to the principal amounts thereof to be redeemed:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$30,000</td>
</tr>
<tr>
<td>2022</td>
<td>36,000</td>
</tr>
<tr>
<td>2023</td>
<td>185,000</td>
</tr>
<tr>
<td>2024</td>
<td>870,000</td>
</tr>
<tr>
<td>2025</td>
<td>885,000</td>
</tr>
<tr>
<td>2026</td>
<td>655,000</td>
</tr>
<tr>
<td>2027</td>
<td>920,000</td>
</tr>
</tbody>
</table>

The final principal amount of the bonds of such series maturing on January 1, 2028, is $105,000.

Notice of the redemption of bonds will be mailed not less than 30 days nor more than 90 days prior to the date fixed for such redemption to the registered owners of bonds to be redeemed at their last addresses appearing on such registration books.

The bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such bonds or portions thereof shall cease to accrue and become payable.

This bond is transferable only upon such registration books by the registered owner bond in person or by his attorney duly authorized in writing, upon surrender hereof at the corporate trust office of the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered bond or bonds, in the authorized denominations of $100,000 or any integral multiple of $5,000 in excess of $100,000 and of the same aggregate principal amount, maturity and interest rate as this bond shall be issued to the transferee in exchange therefor. In like manner, this bond may be exchanged for an equal aggregate principal amount of bonds of the same maturity and interest rate and of any of such authorized denominations. The City or the Bond Registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this bond. No other charge shall be made for the privilege of making such transfer or exchange. The City and the Bond Registrar may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes whatsoever.

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

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this bond in order to make it a legal, valid and binding obligation of the City have been done, exist and have been performed in regular and due form, form and manner as required by law, and that the series of bonds of which this bond is one, together with all other indebtedness of the City, is within every debt or other limit prescribed by law.
IN WITNESS WHEREOF, the City of DeKalb has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Mayor, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its City Clerk or Deputy City Clerk.

Dated: October 23, 2013

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Refunding Bonds, Series 2013, described in the within mentioned Ordinance.

AMALGAMATED BANK OF CHICAGO, as Bond Registrar

By Authorised Signer

CITY OF DEKALB

Mayor

Attest:

City Clerk

SPECIMEN
ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto ____________________________

the within bond and hereby irrevocably constitutes and appoints ____________________________

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

Dated ____________________________

Signature Guarantee: ____________________________