

**ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED
\$4,600,000 GENERAL OBLIGATION BONDS, SERIES 2023, 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 of DeKalb, Illinois (the "City") for the purpose of financing the construction of a new fire station (the "Project") and paying any cost of issuance of the bonds authorized by this ordinance, including any municipal bond insurance policy. The Project is for a public purpose authorized to be undertaken by the City.

Section 2. Delegated Sale. In order to accommodate current market practices and the provisions of federal income tax law and to provide the opportunity to sell the 2023 Bonds (as defined herein) under the most favorable terms, the City Council hereby delegates to the City Manager the authority to determine certain details of the 2023 Bonds and to sell the 2023 Bonds (a) pursuant to a public sale by an underwriter for distribution of the 2023 Bonds to investors or (b) in a private placement to the successful purchaser, which shall be (i) a bank or financial institution authorized to do business in the State of Illinois, (ii) a governmental unit as defined in the Local Government Debt Reform Act, or (iii) an "accredited investor" as defined in Rule 501 of Regulation D as promulgated under the Securities Act of 1933. Authority is hereby delegated to the City Manager to make various determinations with respect to the details of the 2023 Bonds, all as provided for in this ordinance, including the determination to obtain a municipal bond insurance policy with respect to the 2023 Bonds or any portion thereof, pursuant to a written bond order (the "Bond Order") to be signed by the City Manager. The delegated authority granted to the City Manager pursuant to this Section shall expire on December 31, 2023. If at any time the City Manager is not able to exercise the authority delegated by this ordinance, then such delegated authority may be exercised by the City Director of Financial Services. Upon the sale of the 2023 Bonds, as evidenced by the execution and delivery of a Bond Order by the City Manager and any other officers of the City as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents and related provisions of sale of the 2023 Bonds as may be necessary, including, without limitation, the contract for the sale of the 2023 Bonds between the City and the Purchaser (the "Purchase Contract"), an agreement with a placement agent (a "Placement Agent Agreement"), and a rate lock agreement, continuing covenants agreement or similar document between the City and the Purchaser (a "Bank Document"). Any Bank Document may provide for default rates of interest and increased rates of interest upon the occurrence of; (i) an event of taxability, (ii) a failure by the City to pay when due any payment of the interest on or principal of the 2023 Bonds, or (iii) if the City files a petition seeking protection under Chapter 9 of the United States Bankruptcy Code, provided, however, that any such rates may not exceed the maximum rate of interest authorized in Section 3 hereof.

Section 3. Authorization and Terms of Bonds. To meet part of the estimated costs of financing the Project, the costs of issuance of the bonds herein authorized and any municipal bond insurance policy premium, there is hereby appropriated the sum of \$4,600,000.

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 are authorized to be issued and sold in an aggregate principal amount of not to exceed \$4,600,000 and shall be designated "General Obligation Bonds, Series 2023" (the "2023 Bonds").

The 2023 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 2023 Bonds; provided that the City may determine in the Bond Order to issue the 2023 Bonds with an authorized minimum denomination greater than \$5,000. Each 2023 Bond delivered upon the original issuance of the 2023 Bonds shall be dated as of the date determined in the Bond Order. Each such 2023 Bond thereafter issued upon any transfer or exchange of 2023 Bonds shall be dated so that no gain or loss of interest shall result from such transfer or exchange. The 2023 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 2023 Bond shall mature later than January 1, 2041. Each 2023 Bond shall bear 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 July 1, 2024 as determined in the Bond Order and semiannually thereafter on each January 1 or July 1, at the rates per annum, not exceeding 5.50%, to be determined in the Bond Order.

No 2023 Bonds shall be sold pursuant to this ordinance unless the taxes levied pursuant to paragraph (A) of Section 13 of this ordinance, are sufficient to provide for the punctual payment of the principal of and interest on the 2023 Bonds.

The City Director of Financial Services may serve as bond registrar and paying agent for the 2023 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 2023 Bonds.

Robert W. Baird & Co. Incorporated is hereby appointed as underwriter in the case of a public sale of the 2023 Bonds or, if so determined in the Bond Order as placement agent in the event of a private placement of the 2023 Bonds.

Section 4. Payment Provisions. The principal of the 2023 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 2023 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 2023 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.

Section 5. Redemption. Any of the 2023 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 2023 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 2023 Bonds in the manner herein provided.

On or prior to the 60th day preceding any sinking fund installment date, the City may purchase 2023 Bonds, which are subject to mandatory redemption on such sinking fund installment date, at such prices as the City shall determine. Any 2023 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 2023 Bonds of the same maturity as the 2023 Bond so purchased.

In the event of the redemption of less than all the 2023 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 2023 Bond of such maturity a distinctive number for each \$5,000 principal amount of such 2023 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 2023 Bonds to be redeemed. The 2023 Bonds to be redeemed shall be the 2023 Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each 2023 Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Notice of the redemption of 2023 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 2023 Bonds to be redeemed at their last addresses appearing on said registration books. The 2023 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 2023 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 2023 Bonds or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a 2023 Bond, the City shall execute and the bond registrar shall authenticate and deliver, upon surrender of such 2023 Bond, without charge to the owner thereof, in exchange for the unredeemed balance of the 2023 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 2023 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 2023 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 2023 Bond.

Section 6. Approval of Official Statement. The form of Preliminary Official Statement of the City with respect to the 2023 Bonds, in substantially the form on file in the office of the City Clerk, with such changes, omissions, insertions and revisions as the City Manager or the City Director of Financial Services shall deem advisable, the distribution thereof to prospective purchasers and the use thereof by the underwriters of the 2023 Bonds in connection with the offering of the 2023 Bonds is authorized and approved. The City Manager and the City Director of Financial Services are each authorized to approve and “deem final” as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

Section 7. Sale and Delivery. Subject to the limitations contained in this ordinance, authority is delegated to the City Manager to sell the 2023 Bonds and, pursuant to the Bond Order, to award the 2023 Bonds to the underwriter in a public sale, the successful bidder or the purchaser in a private placement.

The principal amount of the 2023 Bonds to be sold and all terms and provisions of the 2023 Bonds not otherwise determined by this ordinance shall be determined in the Bond Order. Subject to the limitations contained in this ordinance, 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 2023 Bonds shall be not less than 96% of the principal amount of the 2023 Bonds.

The Mayor, City Clerk, the Executive Assistant, the City Manager, the City Director of Financial Services 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 2023 Bonds, including the proper execution and delivery of the 2023 Bonds, the Official Statement, and any Purchase Contract, Placement Agent Agreement, or Bank Document.

Section 8. Execution and Authentication. Each 2023 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, Executive Assistant or Deputy City Clerk.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any 2023 Bond shall cease to hold such office before the issuance of the 2023 Bond, such 2023 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 2023 Bond had not ceased to hold such office. Any 2023 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 2023 Bond such person may not have held such office. No recourse shall be had for the payment of any 2023 Bonds against any officer who executes the 2023 Bonds.

Each 2023 Bond shall bear thereon a certificate of authentication executed manually by the bond registrar. No 2023 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 9. Transfer, Exchange and Registry. The 2023 Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each 2023 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 2023 Bond, the City shall execute and the bond registrar shall authenticate and deliver a new 2023 Bond or 2023 Bonds registered in the name of the transferee, of the same aggregate principal amount, maturity and interest rate as the surrendered 2023 Bond. 2023 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 2023 Bonds of the same maturity and interest rate and of any authorized denominations.

For every such exchange or registration of transfer of 2023 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 2023 Bonds.

The City and the bond registrar may deem and treat the person in whose name any 2023 Bond shall be registered upon the registration books as the absolute owner of such 2023 Bond, whether such 2023 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium if any, 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 2023 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 10. 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 2023 Bonds. The 2023 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 2023 Bonds and the interest thereon, without limitation as to rate or amount.

Section 11. Form of Bonds. The 2023 Bonds shall be issued as fully registered bonds and shall be in substantially the following form, the blanks to be appropriately completed when the 2023 Bonds are printed:

No. _____

United States of America
State of Illinois
County of DeKalb
CITY OF DEKALB
GENERAL OBLIGATION BOND,
SERIES 2023

INTEREST RATE	MATURITY DATE	DATED DATE	[CUSIP]
. %	January 1, 20__	_____, 2023	[240775 ____]

REGISTERED OWNER: [Cede & Co.] / [Purchaser]

PRINCIPAL AMOUNT:

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 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 July 1, 2024 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 September 11, 2023 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed \$4,600,000 General Obligation Bonds, Series 2023, 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:

20____ Term Bonds		20____ Term Bonds		20____ Term Bonds	
Year	Principal Amount	Year	Principal Amount	Year	Principal Amount
20____	\$,000	20____	\$,000	20____	\$,000
20____	,000	20____	,000	20____	,000
20____	,000	20____	,000	20____	,000]

[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, Executive Assistant or Deputy City Clerk.

Dated: _____, 2023

CITY OF DEKALB

Mayor

Attest:

Executive Assistant

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Bonds, Series 2023, 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 12. Levy and Extension of Taxes.

(A) For the purpose of providing the money required to pay the interest on the 2023 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 2023 Bonds shall be outstanding, a direct annual tax sufficient for that purpose in addition to all other taxes, in the amount of \$425,000 in each year from the year 2023 through and including 2039.

(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 2023 Bonds and the execution of the Bond Order, an executed copy of the Bond Order and a copy of this ordinance, certified by the Executive Assistant, 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 2023 to 2039, 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 2023 Bonds as the same become due and payable.

(D) In the event that 2023 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 2023 Bonds, then the City shall cause to be filed with the aforesaid County Clerk, on or prior to the date of delivery of the 2023 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 13. Application of Proceeds. The proceeds of sale of the 2023 Bonds shall be deposited into the 2023 Bond Proceeds Fund established by Section 15 of this ordinance.

Section 14. 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 2023 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 2023 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 2023 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 2023 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 15. Bond Proceeds Fund. The “2023 Bond Proceeds Fund” is hereby established as a special fund of the City. Moneys in the 2023 Bond Proceeds Fund shall be used for the purpose of paying the costs of the Project and costs of issuance of the 2023 Bonds. Any moneys remaining in the 2023 Bond Proceeds 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 2023 Bonds.

Section 16. Investment Regulations. No investment shall be made of any moneys in the General Debt Service Fund or the 2023 Bond Proceeds Fund except in accordance with the tax covenants set forth in Section 17 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 Director of Financial Services and agents as so designated 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 17. 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 2023 Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such 2023 Bond is subject on the date of original issuance thereof.

The City shall not permit any of the proceeds of the 2023 Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any 2023 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 2023 Bonds or other moneys to be invested in any manner that would cause any 2023 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 18. Bank Qualified Designation. The City hereby designates the 2023 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 2023 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 2023 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 19. Continuing Disclosure. If the 2023 Bonds are sold pursuant to a public sale (as determined by the Bond Order) this Section shall apply. For the benefit of the beneficial owners of the 2023 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 Official Statement with respect to the 2023 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 2023 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 2023 Bonds, or other events affecting the tax-exempt status of the 2023 Bonds; (7) modifications to rights of bondholders, if material; (8) 2023 Bond calls, if material and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the 2023 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 or a source of payment 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 2023 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 2023 Bonds and the City remains an "obligated person" under the Rule with respect to the 2023 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 2023 Bonds.

If the Series 2023 Bonds are sold pursuant to a private placement (as determined by the Bond Order), this Section shall not apply.

Section 20. Bond Registrar. The City covenants that it shall at all times retain a bond registrar with respect to the 2023 Bonds, that it will maintain at the designated office of such bond registrar a place where 2023 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 2023 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 2023 Bond so authenticated but with respect to all the 2023 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 2023 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 2023 Bonds within twenty days after such appointment.

Section 21. Book-Entry System. The City Manager or his designee may determine to issue the 2023 Bonds in book-entry form. In order to provide for the initial issuance of the 2023 Bonds in a form that provides for a system of book-entry only transfers, the ownership of one 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 2023 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 2023 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 2023 Bonds is discontinued, then the City shall issue and the bond registrar shall authenticate, register and deliver to the beneficial owners of the 2023 Bonds, bond certificates in replacement of such beneficial owners' beneficial interests in the 2023 Bonds, all as shown in the records maintained by the securities depository.

If the Series 2023 Bonds are sold pursuant to a private placement (as determined by the Bond Order), this Section shall not apply and the purchaser of the Series 2023 Bonds (as determined by the Bond Order) will be the registered owner of the 2023 Bonds.

Section 22. Defeasance and Payment of Bonds.

(A) If the City shall pay or cause to be paid to the registered owners of the 2023 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 2023 Bonds shall be discharged and satisfied.

(B) Any 2023 Bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such 2023 Bonds, shall be deemed to have been paid within the meaning of paragraph (A) of this Section if (1) in case any such 2023 Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such 2023 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 2023 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 23. Ordinance to Constitute a Contract. The provisions of this ordinance shall constitute a contract between the City and the registered owners of the 2023 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 2023 Bonds. All of the 2023 Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the 2023 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 2023 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 24. Publication. The City Clerk or the Executive Assistant is hereby authorized and directed to publish this ordinance in pamphlet form and to file copies thereof for public inspection in her office.

Section 25. Effective Date. This ordinance shall become effective upon its passage and approval.

Passed on First Reading and adopted this 11th day of September 2023, by roll call vote as follows:

Aye: Zasada, Larson, Smith, Perkins, McAdams, Verbic, Walker, Barnes. Nay: None.

Second Reading waived by an 8-0 roll call vote. Aye: Zasada, Larson, Smith, Perkins, McAdams, Verbic, Walker, Barnes. Nay: None.

Approved: September 11, 2023



Cohen Barnes, Mayor

Published in pamphlet form: September 12, 2023

Attest:



Ruth A. Scott, Executive Assistant

(SEAL)



CERTIFICATE

I, RUTH SCOTT, Executive Assistant of the City of DeKalb, Illinois, hereby certify that the foregoing ordinance entitled:

ORDINANCE 2023-035

“Ordinance Authorizing the Issuance of Not to Exceed \$4,600,000 General Obligation Bonds, Series 2023, 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 11, 2023, in the DeKalb Public Library, Yusunas Meeting Room, 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 11, 2023, and thereafter published in pamphlet form on September 12, 2023, 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 12th day of September 2023.

(SEAL)




RUTH A. SCOTT, Executive Assistant