



Legislation Text

File #: 17-00415, **Version:** 3

TO: Mayor Robert J. O'Connor

FROM: Stacey L. Hamling, Interim Chief Finance Officer/City Treasurer

DATE: May 4, 2017

SUBJECT:

An Ordinance Providing for the Issuance of \$16,500,000 Aggregate Principal Amount of General Obligation Bonds, Series 2017, of the City of Aurora, Kane, DuPage, Kendall and Will Counties, Illinois, Confirming the Sale Thereof, and Providing for the Levy and Collection of a Direct Annual Tax for the Payment of Principal of and Interest on Said Bonds - Finance Committee Agenda Item - May 9, 2017 Meeting.

PURPOSE:

To obtain the approval of the City Council of a proposed ordinance providing for the issuance of the Series 2017 General Obligation Bonds.

BACKGROUND:

The 2017-2026 Capital Improvements Plan and 2017 City Budget call for the procurement of an aerial/platform truck, fire station #7 replacement (CIP Project No. C011), new ambulance for station #7, regional transportation improvements (CIP Project No. A059), Route 59 transit center entrance (CIP Project No. C063), optical fiber projects (CIP Project No. C104), mastodon lake (CIP Project No. F053), Galena-New York two-way conversion (CIP Project No. GC075), Galena and Smith traffic signal (CIP Project No. GC076), and property acquisition /demo/rehab.

A spreadsheet is attached containing the amounts budgeted for each of the above projects.

DISCUSSION:

We intend to sell the 2017 GO Bonds on May 23, 2017 to provide resources for the aforementioned projects.

Attached is a draft bond ordinance. The final bond ordinance will be prepared after the bonds are sold and the exact interest costs are known.

IMPACT STATEMENT:

Not applicable.

RECOMMENDATIONS:

That the City Council approve the attached, proposed ordinance that would authorize the issuance of the city's 2017 GO Bonds.

attachment



CITY OF AURORA, ILLINOIS

ORDINANCE NO. _____
DATE OF PASSAGE _____

An Ordinance providing for the issuance of \$16,500,000 aggregate principal amount of General Obligation Bonds, Series 2017, of the City of Aurora, Kane, DuPage, Kendall and Will Counties, Illinois, for the purpose of financing capital improvements, confirming the sale thereof, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, Whereas, pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, the City has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within forty (40) years from the time it is incurred without prior referendum approval; and

Whereas, on the 28th day of August, 1973, the City Council of the City (the "City Council") did adopt Ordinance Number 4340 determining the procedures to be followed in the borrowing of money for public purposes of the City and in evidence of such borrowing for the issuing of full faith and credit bonds of the City without referendum approval, such ordinance being entitled:

An Ordinance of the City of Aurora, Illinois, establishing procedures to be followed in incurring indebtedness for corporate purposes, issuing nonreferendum bonds to evidence such indebtedness and authorizing and directing the levying of a tax, without limit as to rate or amount, for the purpose of paying principal and interest on such bonds as the same become due.

which ordinance was amended by Ordinance No. 085-5353, duly adopted by the City Council on March 19, 1985 (Ordinance No. 4340 as so amended, which is also known as Section 2-319 of Division 1 of Article V of Chapter 2 of the Code of Ordinances of the City, being referred to hereinafter as the "Enabling Ordinance"); and

Whereas, the City Council has heretofore determined and does hereby determine that it is necessary and advisable for the public health, safety, welfare, and convenience of the residents of the City that the City undertake to undertake capital improvements within the City, including, but not limited to,

property acquisition and demolition, fire station replacement and transportation improvements (which capital improvements, together with all related expenses as hereinafter more specifically enumerated, may be referred to as the "Project"), all in accordance with the preliminary plans and specifications prepared by and on file with the City engineers; and

Whereas, the estimated cost of the Project is not less than the sum of \$16,500,000 and estimated investment earnings; and

Whereas, the City Council does hereby determine that there are insufficient funds of the City on hand and lawfully available to pay the cost of the Project; and

Whereas, the City Council does hereby further determine that it is advisable and in the best interests of the City to borrow \$16,500,000 at this time and, in evidence of such borrowing, issue its full faith and credit bonds in the aggregate principal amount of \$16,500,000.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Aurora, Illinois, as follows:

Section 1. Definitions. The following words and terms used in this Ordinance shall have the following meanings unless the context or use clearly indicates another or different meaning is intended:

A. The following words and terms are defined in the preambles:

City
City Council
Enabling Ordinance
Project

B. The following words and terms are defined as set forth:

"Bond" or "Bonds" means one or more, as applicable, of the \$16,500,000 aggregate principal amount of General Obligation Bonds, Series 2017, authorized to be issued by this Ordinance.

"Bond Fund" means the Bond Fund established and defined in Section 11 of this Ordinance.

"Bond Register" means the books of the City kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

"Bond Registrar" means Amalgamated Bank of Chicago, Chicago, Illinois, a banking corporation duly organized and validly existing under the laws of the State of Illinois, having trust powers, or any successor thereto or any successor designated as Bond Registrar in accordance with this Ordinance.

"City Clerk" means the City Clerk of the City.

"Code" means the Internal Revenue Code of 1986, as amended.

"Mayor" means the Mayor of the City.

“Paying Agent” means Amalgamated Bank of Chicago, Chicago, Illinois, a banking corporation duly organized and validly existing under the laws of the State of Illinois, having trust powers, or any successor thereto or any successor designated as Paying Agent in accordance with this Ordinance.

“Project Fund (2017)” means the Project Fund established and defined in Section 11 of this Ordinance.

“Tax-exempt” means, with respect to the Bonds, the status of the interest paid and received thereon as excludible from the gross income of the owners thereof for federal income tax purposes, except to the extent that such interest is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations.

Section 2. Incorporation of Preambles. The City Council hereby finds that all of the recitals contained in the preambles to this Ordinance are true, correct and complete, and does incorporate them into this Ordinance by this reference.

Section 3. Determination to Issue Bonds. The City Council hereby determines that it is necessary and in the best interests of the City to acquire and construct the Project, to pay all related costs and expenses incidental thereto, and to borrow money and issue the Bonds for such purposes. The City Council hereby finds and determines that such borrowing of money is necessary for the welfare of the government and affairs of the City, is for a proper public purpose or purposes and is in the public interest, and these findings and determinations shall be deemed conclusive.

Section 4. Bond Details. For the purpose of providing for the payment of the cost of the Project and to pay all related costs and expenses incidental thereto, the Bonds shall be issued and sold in the aggregate principal amount of \$16,500,000. The Bonds shall each be designated “General Obligation Bond, Series 2017;” shall be dated the date of issuance; and shall also bear the date of authentication thereof. The Bonds shall be in fully registered form, shall be in denominations of \$5,000 or integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), shall be lettered R and numbered consecutively in such fashion as shall be determined by the Bond Registrar, and shall become due and payable serially on December 30 of each of the years and in the amounts (being subject to the right of prior redemption by the City as hereinafter set forth) and bearing interest at the rates percent per annum, as follows:

Year	Principal Amount	Interest Rate
2018	\$ 680,000	3.000%
2019	695,000	3.000%
2020	710,000	3.000%
2021	725,000	3.000%
2022	740,000	3.000%
2023	755,000	3.000%
2024	775,000	3.000%
2025	795,000	3.000%
2026	820,000	3.000%
2027	845,000	3.000%
2028	870,000	3.000%
2029	895,000	3.000%

2030	925,000	3.000%
2031	955,000	3.000%
2032	990,000	3.125%
2033	1,025,000	3.125%
2034	1,060,000	3.250%
2035	1,100,000	3.250%
2036	1,140,000	3.250%

The Bonds shall bear interest from the later of their dated date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, such interest (computed upon the basis of a calendar year consisting of 360 days and twelve 30-day months) being payable on June 30 and December 30 of each year, commencing on December 30, 2017. Interest on each Bond shall be paid by check or draft of the Paying Agent, payable upon presentation thereof in lawful money of the United States of America, to or upon the order of the person in whose name such Bond is registered, or his legal representative, at the close of business on the fifteenth day of the calendar month of the applicable interest payment date, and shall be mailed to the address of such registered owner as it appears on such registration books or at such other address as is furnished in writing by such registered owner to the Bond Registrar. The principal of the Bonds shall be payable in lawful money of the United States of America, upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent in Chicago, Illinois, or at a successor Paying Agent and locality. Notwithstanding the foregoing, the principal of and interest on any Bond shall be payable by wire transfer in immediately available funds to such wire transfer address within the continental United States of America as shall be requested by any owner of Bonds in an aggregate principal amount of at least \$1,000,000, if such owner shall have requested payment by such method in writing and shall have provided the Paying Agent with an account number and other necessary information for such purpose by the fifteenth day of the calendar month immediately preceding the applicable payment date; provided, that the payment of the principal of each Bond shall be made only upon presentation and surrender of such Bond at the principal corporate trust office of the Paying Agent in the City of Chicago, Illinois, or at a successor Paying Agent and locality.

Section 5. Execution; Authentication. The Bonds shall be executed on behalf of the City by the manual or duly authorized facsimile signature of the Mayor and attested by the manual or duly authorized facsimile signature of the City Clerk, and shall have impressed or imprinted thereon the official seal of the City or a facsimile thereof. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued under this Ordinance.

Section 6. Registration of Bonds; Persons Treated as Owners; Global Book-Entry System; Redemption Prior to Maturity.

A. General. The City shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar in the City of Chicago, Illinois, or at a successor Bond Registrar and locality; and the same is hereby constituted and appointed the registrar of the City for the Bonds. The City is authorized to prepare, and the Bond Registrar or such other agent as the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any fully registered Bond or Bonds may be exchanged upon presentation and surrender at the principal corporate trust office of the Bond Registrar in the City of Chicago, Illinois, or at a successor Bond Registrar and locality, duly endorsed by, or accompanied by a written instrument or instruments authorizing such exchange in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, for a like aggregate principal amount of Bond or Bonds of the same series, maturity and interest rate of other authorized denominations.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar in the City of Chicago, Illinois, or at a successor Bond Registrar and locality, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same series, maturity and interest rate, of authorized denomination or denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the fifteenth day of the calendar month of an interest payment date to the opening of business on such interest payment date, or after notice calling such Bond for redemption has been mailed, or during the period beginning at the close of business on the fifteenth day immediately preceding the mailing of a notice of redemption of any Bond and ending at the opening of business on such date of mailing.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; provided, however, that the aggregate principal amount of Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized aggregate principal amount of Bonds for such maturity less the aggregate principal amount of such Bonds which have been paid.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and the payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any such transfer or exchange of Bonds, but the City or the

Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any such transfer or exchange of Bonds, except that no such payment may be required in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

B. Global Book-Entry System. The City and/or the Bond Registrar may enter into an agreement with a securities depository registered under Section 17A of the Securities Exchange Act of 1934, as amended (the "Securities Depository"), including without limitation The Depository Trust Company of New York, New York, which is the record owner of the Bonds, to establish procedures with respect to Bonds owned by such Securities Depository. Such agreement may impose additional requirements on the Bond Registrar with respect to the Bonds.

C. Redemption Prior to Maturity. The Bonds maturing on or after December 30, 2026, shall be subject to redemption prior to maturity at the option of the City, on December 30, 2025, or on any date thereafter, as a whole or in part, and if in part in such order of maturity as shall be designated by the City (less than all of a single maturity to be so redeemed to be selected by the Bond Registrar by lot within such maturity in the manner hereinafter provided) at the redemption price of par plus accrued interest to the redemption date.

The City shall, at least forty-five (45) days prior to the date fixed for any optional redemption (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such date fixed for redemption and of the aggregate principal amount and maturity or maturities of the Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, and in the event there is more than one registered owner of a given maturity to be redeemed, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Bond Registrar by lot from the outstanding Bonds of such maturity or maturities selected, by such method as the Bond Registrar shall deem fair and appropriate; provided, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion.

Unless waived by any registered owner of Bonds to be redeemed, official notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class mail, postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. Failure to give such notice by mail to any registered owner of any Bonds (or portions thereof) or any defect therein shall not affect the validity of any proceedings for the redemption of any other Bonds (or portions thereof) for which such notice is properly given.

All official notices of redemption shall state:

- (a) the date fixed for redemption;
- (b) the redemption price;
- (c) the identification of the Bonds to be redeemed, including (i) the date of issue of the Bonds as originally issued, (ii) the maturity date and interest rate borne by each Bond to be

redeemed, (iii) the respective principal amount redeemed of each Bond to be redeemed in part, (iv) the CUSIP number of each Bond to be redeemed, and (v) any other descriptive information needed to identify accurately the Bonds being redeemed;

(d) a statement that on the date fixed for redemption the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be at the principal corporate trust office of the Bond Registrar in the City of Chicago, Illinois, or at a successor Bond Registrar and locality as may then be acting.

With respect to an optional redemption of any Bonds, unless moneys sufficient to pay the principal of and interest on the Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Bond Registrar shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

Subject to the provisions for a conditional redemption described above, official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the date fixed for redemption, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price), such Bonds or portions of Bonds shall cease to bear interest. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner, shall affect the sufficiency of such notice with respect to other Bonds. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of authorized denominations, of the same series, maturity, and interest rate, and in the amount of the unpaid principal.

If any Bond or any portion of a Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the date fixed for redemption at the interest rate borne by the Bond or the portion of the Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar, and shall not be reissued.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 7. Form of Bond. The Bonds shall be in substantially the form hereinafter set forth; provided, however, that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend "See Reverse Side for Additional Provisions" shall be omitted and paragraphs [6] through [11] shall be inserted immediately after paragraph [1]:

[Form of Bond - Front Side]

Registered
No. _____

Registered
\$ _____

United States of America

State of Illinois

Counties of Kane, DuPage, Kendall and Will

City of Aurora

General Obligation Bond, Series 2017

See Reverse Side for
Additional Provisions

Interest Rate _____%	Maturity Date: December 30, 20__	Dated Date: _____, 2017	CUSIP: _____
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Registered Owner:

Principal Amount:

[1] Know All Persons by These Presents that the City of Aurora, Kane, DuPage, Kendall and Will Counties, Illinois, a municipality and a home rule unit of government organized and existing under the Constitution and the laws of the State of Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a calendar year consisting of 360 days and twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable, at the Interest Rate per annum identified above, such

interest to be payable on June 30 and December 30 of each year, commencing on December 30, 2017, until said Principal Amount is paid. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the principal corporate trust office of Amalgamated Bank of Chicago, Chicago, Illinois, as paying agent (the "Paying Agent"). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by Amalgamated Bank of Chicago, Chicago Illinois (the "Bond Registrar"), or at a successor Bond Registrar and locality, at the close of

business on the fifteenth day of the calendar month of the applicable interest payment date, and shall be paid by check or draft of the Paying Agent, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar; provided, however, that the principal of and interest on this Bond are payable by wire transfer to any owner of Bonds (as hereinafter defined) in an aggregate principal amount of at least \$1,000,000, if such owner shall have requested payment by such method in writing, and shall have provided the Paying Agent with an account number and other necessary information for such purpose on or before the fifteenth day of the calendar month immediately preceding the applicable payment date; provided, further, that the payment of the principal of this Bond shall be made only upon presentation and surrender of this Bond at the principal corporate trust office of the Paying Agent.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse side hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all conditions, acts and things required by the Constitution and the laws of the State of Illinois, including the Procedural Ordinance (as hereinafter defined), to exist or to be done precedent to and in the issuance of this Bond have existed, and have been properly done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the City sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[4] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[5] In Witness Whereof, the City of Aurora, Kane, DuPage, Kendall and Will Counties, Illinois, by its City Council, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk and its official seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

[Facsimile Signature]

Mayor, City of Aurora, Kane, DuPage

Kendall and Will Counties, Illinois

[SEAL]

ATTEST:

[Facsimile Signature]

City Clerk, City of Aurora, Kane, DuPage,
Kendall and Will Counties, Illinois

Date of Authentication: _____, 2017

Certificate
of
Authentication

Bond Register and Paying Agent:
Amalgamated Bank of Chicago
Chicago, Illinois

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the \$16,500,000 aggregated principal amount of General Obligation Bonds, Series 2017, having a Dated Date of June 6 2017, of the City of Aurora, Kane, DuPage, Kendall and Will Counties, Illinois.

Amalgamated Bank of Chicago,
as Bond Registrar

By _____
Authorized Officer

[Form of Bond - Reverse Side]

City of Aurora, Kane, DuPage, Kendall and Will Counties, Illinois

General Obligation Bond, Series 2017

[6] This Bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$16,500,000, issued by the City for the purpose of financing property acquisition and demolition, fire station replacement, transportation improvements and other capital improvements within the City, and of paying expenses incidental thereto, all as described and defined in the ordinance authorizing the issuance of the Bonds (the "Ordinance"), pursuant to and in all respects in compliance with the

applicable provisions of Section 6 of Article VII of the Constitution of the State of Illinois, with the procedural ordinance, as amended (the "Procedural Ordinance"), of the City adopted in the exercise of its home rule powers in issuing bonds without referendum, and with the Ordinance, which has been duly adopted by the City Council of the City, in all respects as by law required.

[7] The Bonds are issued in fully registered form in the denominations of \$5,000 or authorized integral multiples thereof. This Bond may be exchanged upon presentation and surrender for cancellation hereof at the principal corporate trust office of the Bond Registrar in the City of Chicago, Illinois, or at a successor Bond Registrar and locality, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance, for a like aggregate principal amount of Bonds of the same series, maturity and interest rate of other authorized denominations. This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in the City of Chicago, Illinois, or at a successor Bond Registrar and locality, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance, and upon presentation and surrender for cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination or denominations of the same series, maturity and interest rate and for the same aggregate principal amount will be issued to the transferee in exchange for this Bond.

[8] The Bonds maturing on or after December 30, 2026, are subject to redemption prior to maturity at the option of the City, on December 30, 2025, or on any date thereafter, as a whole or in part, and if in part in such order of maturity as shall be designated by the City (less than all of a single maturity to be so redeemed to be selected by the Bond Registrar by lot within such maturity in the manner provided in the Ordinance) at the redemption price of par plus accrued interest to the redemption date.

[9] Unless waived by the registered owner of Bonds to be redeemed, notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class mail, postage prepaid, not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the bond register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. Such notice of redemption may be conditional as provided in the Ordinance. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in such notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Subject to the provisions for a conditional redemption described in the Ordinance, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the date fixed for redemption, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to accrue interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due on or prior to the date fixed for redemption shall be as herein provided for the payment of interest otherwise due. Upon surrender for any partial redemption

of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of like tenor, of authorized denominations, of the same series and maturity, and interest rate, in the amount of the unpaid principal thereof.

[10] The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the fifteenth day of the calendar month of an interest payment date to the opening of business on such interest payment date, or after notice calling such Bond for redemption has been mailed, or during the period beginning at the close of business on the fifteenth day immediately preceding the mailing of a notice of redemption of any Bond and ending at the opening of business on such date of mailing.

[11] The City, the Bond Registrar and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the City, the Bond Registrar and the Paying Agent shall not be affected by any notice to the contrary.

* * *

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	Unif Gift/Trans Min Act-
TEN ENT - as tenants by the entirety	_____Custodian_____
JT TEN - as joint tenants with right of	under Uniform Gifts/Transfers to Minors Act
Survivorship and not as tenants in	
Common	

(State)

Additional abbreviations may also be used though not listed above.

ASSIGNMENT

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

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

Signature guaranteed: _____

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

Section 8. Tax Levy. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity or upon mandatory sinking fund redemption, there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose; and there is hereby levied on all of the taxable property in the City, in addition to all other taxes, the following direct annual tax, to-wit:

For the Year	A Tax Sufficient to Produce the Sum of:	
2017	\$1,185,768.76	for principal and interest through December 31, 2017
2018	\$1,180,368.76	for principal and interest through December 31, 2018
2019	\$1,174,518.76	for principal and interest through December 31, 2019
2020	\$1,168,218.76	for principal and interest through December 31, 2020
2021	\$1,161,468.76	for principal and interest through December 31, 2021
2022	\$1,154,268.76	for principal and interest through December 31, 2022
2023	\$1,151,618.76	for principal and interest through December 31, 2023
2024	\$1,148,368.76	for principal and interest through December 31, 2024
2025	\$1,149,518.76	for principal and interest through December 31, 2025
2026	\$1,149,918.76	for principal and interest through December 31, 2026
2027	\$1,149,568.76	for principal and interest through December 31, 2027
2028	\$1,148,468.76	for principal and interest through December 31, 2028
2029	\$1,151,618.76	for principal and interest through December 31, 2029
2030	\$1,153,868.76	for principal and interest through December 31, 2030
2031	\$1,160,218.76	for principal and interest through December 31, 2031
2032	\$1,164,281.26	for principal and interest through December 31, 2032
2033	\$1,167,250.00	for principal and interest through December 31, 2033
2034	\$1,172,800.00	for principal and interest through December 31, 2034
2035	\$1,177,050.00	for principal and interest through December 31, 2035

Interest or principal coming due at any time when there are insufficient funds on hand from the foregoing tax levy to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of said taxes herein levied; and when said taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. The City covenants and agrees with the purchasers and owners of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely

affect the ability of the City to levy and collect the foregoing tax levy. The City and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes may be levied, extended and collected as provided herein and deposited into the Bond Fund.

In the event that funds from any other lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the taxes levied herein for the payment of same, the City Council shall, by proper proceedings, direct the transfer of such funds to the Bond Fund, and shall then further direct the abatement of the taxes by the amount so deposited. The City covenants and agrees that it will not direct the abatement of taxes until money has been deposited into the Bond Fund in the amount of such abatement. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerks in a timely manner to effect such abatement.

Section 9. Filing with the County Clerks. Promptly, as soon as this Ordinance becomes effective, a copy hereof, certified by the City Clerk, shall be filed with the County Clerks of The Counties of Kane, DuPage, Kendall and Will, Illinois; and said County Clerks shall in and for each of the years 2017 to 2035, inclusive, ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in each of said years; and each of said County Clerks shall 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 by and for and on behalf of the City in like manner as taxes for general corporate purposes for said years are levied and collected, and in addition to and in excess of all other taxes.

Section 10. Sale of Bonds. The Bonds shall be executed as in this Ordinance provided as soon after the passage hereof as may be, shall be deposited with the City Treasurer of the City, and shall be delivered by the City Treasurer of the City to the purchaser thereof, namely, Merrill Lynch, Pierce, Fenner & Smith Incorporated, New York, New York, (the "Purchaser") upon payment of the purchase price agreed upon, the same being \$16,628,733.84. The contract for the sale of the Bonds to the Purchaser is hereby in all respects ratified, approved and confirmed, it being hereby declared that no person holding any office of the City, either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or the name of any other person, association, trust or corporation, in such contract.

Section 11. Creation of Funds and Appropriations. The proceeds derived from the sale of the Bonds shall be used as follows:

A. Accrued interest, if any, on the Bonds shall be and is hereby appropriated for the purpose of paying the first interest due on the Bonds and to such end is hereby ordered to be deposited into the "General Obligation Bonds, Series 2017, Bond Fund" (the "Bond Fund"), hereby created, which shall be the fund for the payment of the principal of and interest on the Bonds. Taxes received for the payment of the Bonds, and any other lawfully available funds of the City, shall be deposited into the Bond Fund, and used solely and only for the purpose of paying the principal of and interest on the Bonds. Interest received from investments on deposit in the Bond Fund shall be retained therein as a credit against future deposits or transferred to such other fund as the City Council may from time to time determine.

B. The balance of the proceeds of the Bonds shall be set aside in a separate fund, hereby

created, and designated as the "Project Fund (2017)" (the "Project Fund"). Money in the Project Fund shall be used to pay all costs of the Project and all costs and expenses incidental or allocable or related thereto, including all costs of issuance of the Bonds.

Section 12. Not Private Activity Bonds. None of the Bonds is a "private activity bond" as defined in Section 141(a) of the Code. In support of such conclusion, the City certifies, represents and covenants as follows, which certifications, representations and covenants may be modified or amended by the hereinafter defined Tax Exemption Certificate:

A. None of the proceeds of the Bonds are to be used, directly or indirectly, in any trade or business carried on by any person other than a state or local governmental unit.

B. No direct or indirect payments are to be made on any Bond with respect to any private business use by any person.

C. None of the proceeds of the Bonds are to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

D. No user of the Project other than the City will use the Project on any basis other than the same basis as the general public; and no person other than the City will be a user of the Project as a result of (i) ownership, or (ii) actual or beneficial use pursuant to a lease, a management or incentive payment contract, or (iii) any other similar arrangement providing similar benefits as described in (i) and (ii).

Section 13. General Arbitrage Covenants. The City certifies and covenants with the purchasers and owners of the Bonds from time to time outstanding that moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and any lawful regulations promulgated thereunder, including Treasury Regulation Sections 1.148-0 through 1.148-11 as the same presently exist or may from time to time hereafter be amended, supplemented or revised. The City reserves the right to use or invest moneys in connection with the Bonds in any manner, notwithstanding the covenants herein, provided, that it shall first have received an opinion from an attorney or a firm of attorneys of nationally recognized standing in matters pertaining to Tax-exempt bonds to the effect that use or investment of such moneys as contemplated will not result in loss of the Tax-exempt status of the interest on the Bonds.

Section 14. Arbitrage Rebate. The City recognizes that the provisions of Section 148 of the Code require a rebate to the United States of America in certain circumstances. The City agrees to comply with all provisions of said Section 148 relating to the Bonds.

Section 15. Further Tax Covenants. The City agrees to comply with all provisions of the Code which, if not complied with by the City, would cause the interest on the Bonds not to be Tax-exempt. In furtherance of the foregoing provisions, but without limiting their generality, the City agrees: (a) through its officers to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by counsel

approving the Bonds; (c) to consult with such counsel and to comply with such advice as may be given; (d) to pay to the United States of America, if necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (e) to file such forms, statements and supporting documents as may be required and in a timely manner; and (f) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the City in such compliance.

The Mayor, the City Clerk and the Interim Chief Financial Officer/City Treasurer of the City, or any of them, are hereby authorized to execute on behalf of the City a Tax Exemption Certificate and Agreement (the "Tax Exemption Certificate") to assure the purchasers and owners of the Bonds that the proceeds of the Bonds are not expected to be used in a manner which would or might result in the Bonds being "private activity bonds" under Section 141 of the Code or "arbitrage bonds" under Section 148 of the Code, or the regulations of the United States Treasury Department currently in effect or proposed. Such Tax Exemption Certificate shall constitute a representation, certification and agreement of the City, and no investment of Bond proceeds or of moneys accumulated to pay the Bonds herein authorized shall be made in violation of the expectations prescribed by said Tax Exemption Certificate. Such Tax Exemption Certificate shall constitute an agreement of the City to follow certain covenants which may require the City to take certain actions (including the payment of certain amounts to the United States Treasury) or which may prohibit certain actions (including the establishment of certain funds) under certain conditions as specified in such Tax Exemption Certificate.

Section 16. Registered Form. The City recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order for the interest thereon to be and remain Tax-exempt. In this connection, the City agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 17. Continuing Disclosure Undertaking. The Mayor and the Interim Chief Financial Officer/City Treasurer of the City each is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking") in substantially the same form as now before the City, or with such changes therein as the Mayor or the Interim Chief Financial Officer/City Treasurer shall approve, his or her execution thereof to constitute conclusive evidence of his approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance to the contrary, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

Section 18. Rights and Duties of Bond Registrar and Paying Agent. If requested by the Bond Registrar and the Paying Agent, any officer of the City is authorized to execute the Bond Registrar's and the Paying Agent's standard form of agreement between the City and the Bond Registrar and the Paying Agent with respect to the obligations and duties of the Bond Registrar and the Paying Agent

under this Ordinance. In addition to the terms of such agreement and subject to modification thereby, the Bond Registrar and the Paying Agent by its acceptance of its duties hereunder agrees, as follows:

- A. to act as bond registrar, paying agent, authenticating agent and transfer agent as provided herein;
 - B. to maintain a list of the owners of the Bonds as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential to the extent permitted by law;
 - C. to give notice of redemption of the Bonds as provided herein;
 - D. to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
 - E. to furnish the City at least annually a certificate with respect to Bonds cancelled and/or destroyed; and
 - F. to furnish the City at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.
- The City Clerk is hereby directed to file a certified copy of this Ordinance with the Bond Registrar and the Paying Agent.

The City covenants that it shall at all times retain a Bond Registrar with respect to the Bonds, that it will maintain at the designated office of such Bond Registrar a place or places where Bonds may be presented for payment or registration of transfer or exchange, and that it shall require that the Bond Registrar properly maintain the Bond Register and perform the other duties and obligations imposed upon it by this Ordinance in a manner consistent with the standards, customs and practices of the municipal securities industry.

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 Bond, and by such execution the Bond Registrar shall be deemed to have certified to the City that it has all requisite power to accept and has accepted such duties and obligations. 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 willful wrongdoing. The Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on the Bonds.

The City may remove the Bond Registrar at any time. In case at any time the Bond Registrar shall resign, shall be removed, shall become incapable of acting, or shall be adjudged as bankrupt or insolvent, or if a receiver, liquidator or conservator of the Bond Registrar, or of the property thereof, shall be appointed, or if any public office shall take charge or control of the Bond Registrar, or of the property or affairs thereof, 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 any Bond within twenty (20) days after such appointment. Any Bond Registrar appointed under the provisions of this Section 18 shall be a bank, trust company or national banking association.

Section 19. Publication of Ordinance. This Ordinance shall become effective upon its passage and approval, and shall be published in pamphlet form on the date of adoption of this Ordinance. It is the intent of this Section 19 and Section 23 hereof to repeal subsection (h) of the Enabling Ordinance, which is also known as Section 2-319(h) of the City Code of Ordinances, for purposes of the Bonds, and said subsection (h) is therefore and hereby repealed for said purposes.

Section 20. Approval of Official Statement. The use by Speer Financial, Inc., and the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the "Official Statement") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the Mayor and the Interim Chief Financial Officer/City Treasurer of the City are hereby authorized to take any action as may be required on the part of the City to consummate the transactions contemplated by the contract for the purchase of the Bonds, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds; and from and after the execution and delivery of the Official Statement, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Official Statement as executed, and any addenda, supplement and amendment thereto are hereby approved, and the further use thereof in connection with any reoffering of the Bonds is hereby authorized.

Section 21. Defeasance. Any Bond or Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Paying Agent to pay all principal and interest due thereon, or (c) for which sufficient (i) full faith and credit obligations of the United States, the timely payment of which are guaranteed by the United States Treasury, (ii) certificates of participation in a trust comprised solely of full faith and credit obligations of the United States, or (iii) cash, have been deposited with the Paying Agent or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the taxes levied herein for the payment of the Bonds and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the Tax-exempt status of the Bonds; and payment, registration, transfer, and exchange; are expressly continued for all Bonds whether outstanding Bonds or not.

Section 22. Other Documents. The Mayor, the City Clerk, the Interim Chief Financial Officer/City Treasurer and all other officers of the City are hereby authorized to execute all documents and certificates necessary in connection with the authorization and delivery of the Bonds, including, without limitation, a Tax Exemption Certificate.

Section 23. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other sections, paragraphs, clauses or provisions of this Ordinance.

[Remainder of page intentionally left blank]

Section 24. Superseder and Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage and approval, as herein provided.

Ayes: _____

Nays: _____

Absent or Not Voting: _____

Adopted: May 23, 2017

Approved: May 23, 2017

Mayor, City of Aurora,
Kane, DuPage, Kendall and
Will Counties, Illinois

[SEAL]

ATTEST:

City Clerk, City of Aurora,
Kane, DuPage, Kendall and
Will Counties, Illinois

Recorded In City Records: May 23, 2017

Published in Pamphlet Form: May 23, 2017