

ORDINANCE NO. 24-_____

ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED
\$25,000,000 GENERAL OBLIGATION BONDS OF 2024 OF THE CITY OF
NAPERVILLE, ILLINOIS

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

Section 1. Authority and Purposes. This ordinance is adopted pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 and Chapter 9, Article C of the City of Naperville Municipal Code for the purposes of (A) authorizing the refunding of certain of the City's outstanding General Obligation Bonds, Series 2013 and (B) financing certain City capital expenditures including the replacement of certain water mains, rehabilitation of other water distribution infrastructure including sanitary sewer mains and lift stations, construction of an ultraviolet disinfection system at the Springbrook Water Reclamation Center, installation of an automated meter reading infrastructure system and other improvements (the "Project").

It is found and determined that the borrowing of money as provided in this ordinance is necessary for the welfare of the government and affairs of the City, is for proper public purposes and is in the public interest.

Section 2. Refunding Plan. The City may determine to refund all of, a portion of, or none of the general obligation bonds listed in Section 1 of this ordinance (the “Refunding”). The particular general obligation bonds to be refunded (the “Prior Bonds”), if any, the particular Prior Bonds to be redeemed prior to maturity and the date of redemption of any Prior Bonds that are to be redeemed prior to maturity, shall be specified in one or more of the Bond Orders referred to in Section 3 of this ordinance. The Mayor, City Manager, Finance Director and the other officers and officials of the City are authorized and, to the extent that effecting the Refunding is deemed to be in the best interest of the City, directed to do, or cause to be done, all things necessary to accomplish the refunding and redemption of the Prior Bonds.

Section 3. Authorization and Terms of Bonds. To meet part of the estimated costs of the Project and, to the extent applicable, the refunding of the Prior Bonds and to fund the costs of issuance of the bonds herein authorized, there is hereby appropriated the sum of \$25,000,000. 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 \$25,000,000.

The bonds shall be designated as “General Obligation Bonds, Series 2024”. The bonds authorized and issued pursuant to this ordinance are herein collectively called the “2024 Bonds”.

Authority is hereby delegated to the City Manager, to determine all of the terms and provisions of the 2024 Bonds and to select the Prior Bonds, if any, all in accordance with the limitations of this ordinance. Such terms and provisions to be set forth in one or more bond orders (each a "Bond Order") to be executed by the City Manager. The City Manager may delegate to the Finance Director the authority to make any of such determinations and to execute a Bond Order by executing and filing with the City Clerk a written instrument evidencing such delegation.

The 2024 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 2024 Bonds. Each 2024 Bond delivered upon the original issuance of the 2024 Bonds shall be dated as of the date specified in the Bond Order. Each 2024 Bond thereafter issued upon any transfer, exchange or replacement of 2024 Bonds shall be dated so that no gain or loss of interest shall result from such transfer, exchange or replacement.

The 2024 Bonds shall mature on December 1 in such years and in such principal amounts as shall be specified in the Bond Order, provided that no 2024 Bond shall mature later than December 1, 2044.

Each 2024 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 December 1, 2024 and semiannually thereafter on each June 1 and December 1, at the rates per annum as shall be specified in the Bond Order, provided that no 2024 Bond shall bear interest at a rate exceeding six percent (6.00%) per annum.

No 2024 Bonds shall be sold pursuant to this ordinance unless the sum of the taxes levied pursuant to Section 9 of this ordinance, the taxes levied for the 2023 tax levy year for the Prior Bonds (if the Refunding is undertaken) and the moneys to be deposited into the 2024 Debt Service Fund (established by this ordinance) concurrently with the issuance of the 2024 Bonds is sufficient to provide for the punctual payment of the principal of and interest on the 2024 Bonds.

The principal of and premium, if any, on the 2024 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the corporate trust office of UMB Bank, N.A., in the City of St. Louis, Missouri, which is hereby appointed as the bond registrar and paying agent for the 2024 Bonds. Interest on the 2024 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 corporate trust 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 2024 Bonds shall be paid by check or draft mailed to such registered owners at their addresses appearing on the registration books or by wire transfer pursuant to an agreement by and between the City and the registered owner.

The 2024 Bonds shall be subject to redemption prior to maturity, at the option of the City and upon notice as herein provided, in such principal amounts and from such maturities all as determined in the Bond Order. Any optional redemption shall be at redemption prices that may include a redemption premium for each 2024 Bond to be redeemed expressed as a percentage, not exceeding 3% of the principal amount to be redeemed.

2024 Bonds of like maturity may be subject to mandatory redemption, by the application of sinking fund installments, all as determined in the Bond Order.

All 2024 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 2024 Bonds in the manner provided in this section.

Whenever 2024 Bonds subject to mandatory sinking fund redemption are redeemed at the option of the City, the principal amount thereof so redeemed shall be credited against the unsatisfied balance of future sinking fund installments or final maturity amount established with respect to the 2024 Bonds, in such amounts and against such installments or final maturity amount as shall be determined by the City in the proceedings authorizing such optional redemption or, in the absence of such determination, shall be credited against the unsatisfied balance of the applicable sinking fund installments next ensuing, and with respect to which notice of redemption has not yet been given.

On or prior to the 60th day preceding any sinking fund installment date, the City may purchase 2024 Bonds subject to mandatory redemption on such sinking fund installment date, at such prices as the City shall determine. Any 2024 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.

In the event of the redemption of less than all the 2024 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 2024 Bond of such maturity a distinctive number for each \$5,000 principal amount of such 2024 Bond and, unless otherwise determined in the Bond Order, 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 2024 Bonds to be redeemed. The 2024 Bonds to be redeemed shall be the 2024 Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each 2024 Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Notice of the redemption of 2024 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 2024 Bonds to be redeemed at their last addresses appearing on said registration books. The 2024 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 2024 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 2024 Bonds or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a 2024 Bond, the City shall execute and the bond registrar shall authenticate and deliver, upon the surrender of such 2024 Bond, without charge to the owner thereof, in exchange for the unredeemed balance of the 2024 Bond so surrendered, 2024 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 2024 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 2024 Bond during a period of

15 days next preceding the mailing of a notice of redemption which could designate for redemption all or a portion of such 2024 Bond.

Section 4. Sale and Delivery. Subject to the limitations contained in this ordinance, authority is hereby delegated to the City Manager to offer the 2024 Bonds for public sale prior to December 31, 2024 and (i) to award and sell the 2024 Bonds to the best bidder in accordance with the notice of sale for the 2024 Bonds, or (ii) to reject all bids. No award of 2024 Bonds shall be made unless the purchase price bid is not less than 96% of the principal amount of 2024 Bonds sold. No 2024 Bonds shall be sold or issued in connection with the Refunding unless the Refunding will result in an interest cost savings to the City equal to at least two percent (2.0%) of the par value of the Prior Bonds, such cost savings to be calculated at a discount rate equal to the proposed yield on the 2024 Bonds.

The sale and award of the 2024 Bonds and the determination of the details of the 2024 Bonds shall be evidenced by the Bond Order, which shall be signed by the City Manager (or the Finance Director if delegated to do so by the City Manager). An executed counterpart of the Bond Order shall be filed with the City Clerk and entered in the records of the City.

The Official Statement prepared with respect to the 2024 Bonds is approved and “deemed final” as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

The Mayor, City Manager, Finance Director, City Clerk and 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 2024

Bonds, including the proper execution and delivery of the 2024 Bonds and the Official Statement.

Section 5. Execution and Authentication. Each 2024 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.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any 2024 Bond shall cease to hold such office before the issuance of the 2024 Bond, such 2024 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 2024 Bond had not ceased to hold such office. Any 2024 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 2024 Bond such person may not have held such office. No recourse shall be had for the payment of any 2024 Bonds against any officer who executes the 2024 Bonds.

Each 2024 Bond shall bear thereon a certificate of authentication executed manually by the bond registrar. No 2024 Bond shall be entitled to any right or benefit under this ordinance or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the bond registrar.

Section 6. Transfer, Exchange and Registry. The 2024 Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each 2024 Bond shall be transferable only upon the registration books maintained by the City for that purpose at the corporate trust 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 2024 Bond, the City shall execute and the bond registrar shall authenticate and deliver a new 2024 Bond or 2024 Bonds registered in the name of the transferee, of the same aggregate principal amount, maturity and interest rate as the surrendered 2024 Bond. 2024 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 2024 Bonds of the same maturity and interest rate and of the denominations of \$5,000 or any integral multiple thereof.

For every such exchange or registration of transfer of 2024 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 2024 Bonds.

The City and the bond registrar may deem and treat the person in whose name any 2024 Bond shall be registered upon the registration books as the absolute owner of such 2024 Bond, whether such 2024 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 2024 Bond to the extent of the sum or sums so paid, and neither the City nor the bond registrar shall be affected by any notice to the contrary.

Section 7. General Obligations. The full faith and credit of the City are hereby irrevocably pledged to the punctual payment of the principal of and interest on the 2024 Bonds. The 2024 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 2024 Bonds and the interest thereon, without limitation as to rate or amount.

Section 8. Form of Bonds. The 2024 Bonds shall be issued as fully registered bonds and shall be in substantially the following form, the blanks to be appropriately completed when the 2024 Bonds are printed:

No. _____

United States of America
 State of Illinois
 Counties of DuPage and Will
CITY OF NAPERVILLE
GENERAL OBLIGATION BOND,
SERIES 2024

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
. %	December 1, ____	_____, 2024	630412 ____

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

The CITY OF NAPERVILLE, a municipal corporation and a home rule unit of the State of Illinois situate in the Counties of DuPage and Will, 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 December 1, 2024 and semiannually thereafter on June 1 and December 1 in each year until the principal amount shall have been paid, to the registered owner of record hereof as of the 15th day of the calendar month next preceding such interest payment date, by wire transfer pursuant to an agreement by and between the City and the registered owner, or otherwise by check or draft mailed to the registered owner at the address of such owner appearing on the registration books maintained by the City for such purpose at the corporate trust office of UMB Bank, N.A., in the City of St. Louis, Missouri, as bond registrar or its successor (the "Bond Registrar"). This bond, as to principal [and premium, if any,] when due, will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the 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 the City of Naperville Municipal Code and an ordinance adopted by the City Council of the City on April 2, 2024 and entitled: "Ordinance Authorizing the Issuance of Not to Exceed \$25,000,000 General Obligation Bonds of 2024 of the City of Naperville, Illinois."

[The bonds of such series maturing on or after December 1, 20__ are subject to redemption prior to maturity at the option of the City and upon notice as herein provided, in such principal amounts and from such maturities as the City shall determine and by lot

within a single maturity, on December 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed plus, if such bond is to be redeemed during any period (both dates inclusive) shown in the following table, the applicable redemption premium, expressed as a percentage of such principal amount, set forth opposite such period:

<u>Redemption Period</u>	<u>Redemption Premium]</u>
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[The bonds of such series due December 1, 20__, are subject to mandatory sinking fund redemption to the extent required to satisfy annual sinking fund installments, in part by lot, at a redemption price equal to the principal amount thereof to be redeemed, on December 1, 20__, and on each December 1 thereafter, in the following amounts:

<u>Year</u>	<u>Principal Amount]</u>
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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 \$5,000 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[, premium, if any,] 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 Naperville 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.

Dated _____

CITY OF NAPERVILLE

Mayor

Attest:

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Bonds, Series 2024, described in the within mentioned Ordinance.

City Clerk

UMB BANK, N.A., as Bond Registrar

By _____
Authorized Signer

ASSIGNMENT

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

the within bond and hereby irrevocably constitutes and appoints _____

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

Dated _____

Signature Guarantee:

Section 9. Levy and Extension of Taxes. (A) For the purpose of providing the money required to pay the interest on the 2024 Bonds when and as the same falls due and to pay and discharge the principal thereof (including mandatory sinking fund installments) as the same shall mature, there is hereby levied upon all the taxable property in the City, in each year while any of the 2024 Bonds shall be outstanding, a direct annual tax sufficient for that purpose in addition to all other taxes, as follows:

<u>Tax Levy Year</u>	<u>A Tax Sufficient to Produce</u>
2024	\$4,976,800
2025	3,000,000
2026	2,448,800
2027	2,440,800
2028	2,432,800
2029	2,424,800
2030	2,636,800
2031	2,200,000
2032	2,200,000
2033	2,200,000
2034	2,200,000
2035	2,200,000
2036	2,200,000
2037	2,200,000
2038	2,200,000
2039	2,200,000
2040	2,200,000
2041	2,200,000
2042	2,200,000
2043	2,200,000

(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 2024 Bonds and the execution of the Bond Order, an executed copy of the Bond Order and a copy of this ordinance, certified by the City Clerk, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerk of DuPage County, Illinois and the County Clerk of Will County, Illinois, who are each hereby directed to ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in the years 2024 to 2043, inclusive, and subject to adjustment as provided in paragraph (D) of this Section, 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 2024 Bonds herein authorized as the same become due and payable.

(D) In the event that 2024 Bonds are to be issued in principal amounts and bearing interest 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 2024 Bonds, then the City Treasurer is authorized and directed to file with each of the aforesaid County Clerks, on or prior to the date of delivery of the 2024 Bonds, a direction for abatement of taxes specifying the exact amount of taxes to be levied to produce the required amounts for each of the various tax levy years.

Section 10. Taxes Levied for Prior Bonds. If and to the extent that the Refunding is undertaken, after the issuance of the 2024 Bonds authorized by this ordinance, the City Treasurer shall file with the County Clerk of DuPage County and the County Clerk of Will County, certificates listing the Prior Bonds and the taxes theretofore

levied for the 2024 tax levy year and subsequent years for the payment of the principal of and interest on the Prior Bonds, and said certificates shall direct the abatement of such taxes. As described in Section 13 below, if and to the extent that the Refunding is undertaken, moneys derived from the taxes levied for the Prior Bonds for the 2023 tax levy year shall be deposited to the 2024 Debt Service Fund (established by this ordinance) and applied to pay debt service on the 2024 Bonds.

Section 11. Escrow Deposit Agreement. The form of 2024 Escrow Deposit Agreement by and between the City and UMB Bank, N.A., as Escrow Agent, on file in the office of the City Clerk, is hereby approved. If the Refunding is undertaken, the proper officers of the City are authorized and directed to execute and deliver the 2024 Escrow Deposit Agreement on behalf of the City in substantially such form with such modifications as such officials approve, which execution and delivery shall be conclusive evidence of the approval of any such modifications on behalf of the City.

Section 12. Application of Proceeds. The proceeds of sale of the 2024 Bonds shall be applied as follows:

1. If the Refunding is undertaken, to the 2024 Escrow Fund maintained under the 2024 Escrow Deposit Agreement, the amount, together with other moneys (if any) of the City deposited therein, necessary to provide for the redemption of the Prior Bonds on the applicable redemption date and to provide for interest to become due and payable on the Prior Bonds to their applicable redemption date.
2. To the 2024 Bond Proceeds Fund established by this ordinance, the amount of such proceeds of sale remaining after making the foregoing deposit.

Section 13. Debt Service Fund. Moneys derived from taxes herein levied (the “Tax Receipts”) are appropriated and set aside for the purpose of paying principal of and interest on the 2024 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 2024 Bonds, including, if and to the extent that the Refunding is undertaken, any moneys derived from the taxes levied for the Prior Bonds for the 2023 tax levy year, shall be deposited in the “2024 Debt Service Fund”, which is hereby established as a special fund of the City and shall be administered as a bona fide debt service fund under the Internal Revenue Code of 1986.

Pursuant to Section 13 of the Local Government Debt Reform Act, the Tax Receipts and the other moneys deposited or to be deposited into the 2024 Debt Service Fund, are pledged as security for the payment of the 2024 Bonds. All such Tax Receipts and the moneys held in the 2024 Debt Service Fund shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City irrespective of whether such parties have notice thereof.

Section 14. Bond Proceeds Fund. The “2024 Bond Proceeds Fund” is hereby established as a special fund of the City. Moneys in the 2024 Bond Proceeds Fund shall be used for the payment of costs of the Project and costs of issuance of the 2024 Bonds but may thereafter 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 2024 Bonds.

Section 15. Investment Regulations. No investment shall be made of any moneys in the 2024 Escrow Fund, the 2024 Debt Service Fund or the 2024 Bond

Proceeds Fund except in accordance with the tax covenants set forth in Section 16 of this ordinance. All income derived from such investments in respect of moneys or securities in any Fund shall be credited in each case to the Fund in which such moneys or securities are held.

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

Section 16. Tax Covenants. The City shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any 2024 Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such 2024 Bond is subject on the date of original issuance thereof.

The City shall not permit any of the proceeds of the 2024 Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any 2024 Bond to constitute a “private activity bond” within the meaning of Section 141 of the Code.

The City shall not permit any of the proceeds of the 2024 Bonds or other moneys to be invested in any manner that would cause any 2024 Bond to constitute an “arbitrage bond” within the meaning of Section 148 of the Code or a “hedge bond” within the meaning of Section 149(g) of the Code.

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

Section 17. Continuing Disclosure. For the benefit of the beneficial owners of the 2024 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 the Official Statement under the caption “Continuing Disclosure.” 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 2024 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 2024 Bonds, or other events affecting the tax-exempt status of the 2024 Bonds; (7) modifications to rights of bondholders, if material; (8) 2024 Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the 2024 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; (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 2024 Bonds and brokers, dealers and municipal securities dealers in complying with paragraph (b)(5) of the Rule. The City Treasurer or her 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 paragraph (b)(5) of the Rule is applicable to the 2024 Bonds and the City remains an “obligated person” under the Rule with respect to the 2024 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 paragraph (b)(5) of the Rule 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 2024 Bonds.

Section 18. Bond Registrar. The City covenants that it shall at all times retain a bond registrar with respect to the 2024 Bonds, that it will maintain at the designated office of such bond registrar a place where 2024 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 2024 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 not only with respect to the 2024 Bond so authenticated but with respect to all the 2024 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 its certificate of authentication on the 2024 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 2024 Bonds within twenty days after such appointment.

Section 19. Book-Entry System. In order to provide for the initial issuance of the 2024 Bonds in a form that provides for a system of book-entry only transfers, the ownership of one fully registered bond for each maturity of each series, in the aggregate principal amount of such maturity, shall be registered in the name of Cede & Co., as a nominee of The Depository Trust Company, New York, New York, as securities depository for the 2024 Bonds. The City Treasurer 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 2024 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 2024 Bonds is discontinued, then the City shall issue and the bond registrar shall authenticate, register and deliver to the beneficial owners of the 2024 Bonds, bond certificates in replacement of such beneficial owners' beneficial interests in the 2024 Bonds, all as shown in the records maintained by the securities depository.

Section 20. Defeasance and Payment. (A) If the City shall pay or cause to be paid to the registered owners of the 2024 Bonds, the principal, premium, if any, 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 2024 Bonds shall be discharged and satisfied.

(B) Any 2024 Bonds, whether at or prior to the maturity or the redemption date of such 2024 Bonds, shall be deemed to have been paid within the meaning of this Section if (1) in case any such 2024 Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such 2024 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 2024 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 21. Ordinance to Constitute a Contract. The provisions of this ordinance shall constitute a contract between the City and the registered owners of the 2024 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 2024 Bonds. All of the 2024 Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the 2024 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 2024 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.

As used in this ordinance, the term “City Manager” or the term “City Treasurer” or the term “Finance Director” includes any person appointed to that office, or authorized to perform the functions of that office, on a temporary or interim basis.

Section 22. Publication. The City Clerk is hereby authorized and directed to publish this ordinance in pamphlet form and to file copies thereof for public inspection in her office.

Section 23. Effective Date. This ordinance shall become effective upon its passage and approval.

Passed and adopted this 2nd day of April, 2024, by roll call vote as follows:

Ayes:

Nays:

Approved: April 2, 2024

Mayor

Published in pamphlet form: April 3, 2024

(SEAL)

Attest:

City Clerk

CERTIFICATE

I, Dawn Portner, City Clerk of the City of Naperville, Illinois, hereby certify that the foregoing ordinance entitled: "Ordinance Authorizing the Issuance of Not to Exceed \$25,000,000 General Obligation Bonds of 2024 of the City of Naperville, 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 7:00 p.m. on April 2, 2024, in the Council Chambers at the Municipal Center, 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 April 3, 2024, and thereafter published in pamphlet form on April 3, 2024 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 _____ day of _____, 2024.

(SEAL)

City Clerk