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Larry A. Filly

Du Page County Clerk

ORDINANCE NO. F-0190

ORDINANCE AUTHORIZING THE ISSUANCE OF \$5,000,000 GENERAL OBLIGATION BONDS, SERIES 1997, OF THE CITY OF WHEATON, ILLINOIS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WHEATON, 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 Section 2-566 of the Wheaton City Code for the purpose of financing a portion of the costs of construction of a new public works facility, including costs of engineering and design and for the purpose of refunding certain of the City's outstanding Corporate Purpose General Obligation Bonds, Series 1991. The foregoing improvements or purposes are each authorized to be made or undertaken by the City of Wheaton, Illinois.

It is found and determined that the borrowing of money in the amount of \$5,000,000 authorized by this ordinance is necessary for the welfare of the government and affairs of the City, is for public purposes and is in the public interest.

The City determines to refund the \$3,000,000 outstanding principal amount of Corporate Purpose General Obligation Bonds, Series 1991, of the City maturing in the years 2000 to 2002, both inclusive (the "Prior Bonds").

The City elects to redeem and call for redemption all of the Prior Bonds, on December 30, 1999, at a redemption price equal to the principal amount of the Prior Bonds.

The Mayor, the Director of Finance and other officers and officials of the City are authorized and directed to do, or cause to be done, all things necessary to accomplish the refunding and redemption of the Prior Bonds.

Section 2. Authorization and Terms of Bonds. The sum of \$5,000,000 is appropriated to meet part of the estimated cost of the improvements or purposes described in Section 1 of this ordinance and the costs of issuance of the bonds herein authorized. For the purpose of financing said appropriation, general obligation bonds of the City are authorized to be issued and sold in an aggregate principal amount of \$5,000,000, and shall be designated "General Obligation Bonds, Series 1997."

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 bonds. Unless otherwise determined in the order to authenticate the bonds, each bond delivered upon the original issuance of the bonds shall be dated as of December 1, 1997. Each bond thereafter issued upon any transfer, exchange or replacement of bonds shall be dated so that no gain or loss of interest shall result from such transfer, exchange or replacement.

The bonds shall mature on December 1 in each year shown in the following table in the respective principal amount set forth opposite each such year and the

bonds maturing in each such year shall bear interest at the respective rate per annum set forth opposite such year:

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-----------------------------|--------------------------|
| 1998 | \$ 45,000 | 4 $\frac{3}{8}$ % |
| 2000 | 1,065,000 | 4 $\frac{3}{8}$ |
| 2001 | 1,000,000 | 4 $\frac{3}{8}$ |
| 2002 | 1,000,000 | 4 $\frac{3}{8}$ |
| 2007 | 890,000 | 4 $\frac{3}{8}$ |
| 2008 | 1,000,000 | 4.45 |

Each 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 June 1, 1998 and semiannually thereafter on each June 1 and December 1 at the rates per annum herein determined.

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 LaSalle National Bank, in the City of Chicago, Illinois, which is hereby appointed as bond registrar and paying agent for the bonds. Interest on the 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 principal 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 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 bonds maturing on or after December 1, 2007 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 as the City shall determine and by lot within a single maturity, on December 1, 2004 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The bonds due December 1, 2000, shall be subject to mandatory sinking fund redemption on December 1, 1999, to the extent required to satisfy an annual sinking fund installment in the amount of \$50,000, in part and by lot, at a redemption price equal to the principal amount thereof to be redeemed. The final maturity amount of the bonds due December 1, 2000 is \$1,015,000.

The bonds due December 1, 2007, shall be subject to mandatory sinking fund redemption on the following dates to the extent required to satisfy the following annual sinking fund installments, in part and by lot, at a redemption price equal to the principal amount thereof to be redeemed:

| <u>Redemption Date</u> | <u>Sinking Fund Installment</u> |
|------------------------|---------------------------------|
| December 1, 2003 | \$25,000 |
| December 1, 2004 | 30,000 |
| December 1, 2005 | 30,000 |
| December 1, 2006 | 30,000 |

The final maturity amount of the bonds due December 1, 2007 is \$775,000.

Whenever 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 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 bonds subject to mandatory redemption on such sinking fund installment date, at such prices as the City shall determine. Any 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 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 bond of such maturity a distinctive number for each \$5,000 principal amount of such bond and shall select by lot from the numbers so assigned as many numbers as, at \$5,000 for each number, shall equal the principal amount of such bonds to be redeemed. The bonds to be redeemed shall be the bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Notice of the redemption of 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 bonds to be redeemed at their last addresses appearing on said 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. If there shall be drawn for redemption less than all of a bond, the City shall execute and the bond registrar shall authenticate and deliver, upon the surrender of such bond, without charge to the owner thereof, in exchange for the unredeemed balance of the bond so surrendered, bonds of like maturity and of the denomination of \$5,000 or any integral multiple thereof.

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

Section 3. Sale and Delivery. The bonds are sold to Piper Jaffray, Inc., as purchaser, at a price of \$4,969,929.20 and accrued interest from their date to the date of delivery and payment therefor. The Official Statement prepared with respect to the bonds is approved and "deemed final" as of its date for purposes of Securities and Exchange Commission Rule 15(c)2-12 promulgated under the Securities Exchange Act of 1934.

The Mayor, 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 bonds, including the proper execution and delivery of the bonds and the Official Statement.

Section 4. Execution and Authentication. Each 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 bond shall cease to hold such office before the issuance of the bond, such 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 bond had not ceased to hold such office. Any 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 bond such person may not have held such office. No recourse shall be had for the payment of any bonds against any officer who executes the bonds.

Each bond shall bear thereon a certificate of authentication executed manually by the bond registrar. No 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 5. Transfer, Exchange and Registry. The bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each bond shall be transferable only upon the registration books maintained by the City for that purpose at the principal 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 bond, the City shall execute and the bond registrar shall authenticate and deliver a new bond or bonds registered in the name of the transferee, of the same aggregate principal amount, maturity and interest rate as the surrendered bond. Bonds, upon surrender thereof at the principal 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 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 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 bonds.

The City and the bond registrar may deem and treat the person in whose name any bond shall be registered upon the registration books as the absolute owner of such bond, whether such bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon

such 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 6. 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 bonds. The 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 bonds and the interest thereon, without limitation as to rate or amount.

Section 7. Form of Bonds. The bonds shall be issued as fully registered bonds and shall be in substantially the following form, the blanks to be appropriately completed when the bonds are printed:

No. _____

United States of America

State of Illinois

County of DuPage

CITY OF WHEATON

GENERAL OBLIGATION BOND,
SERIES 1997

| <u>INTEREST RATE</u> | <u>MATURITY DATE</u> | <u>DATED DATE</u> | <u>CUSIP</u> |
|----------------------|----------------------|-------------------|--------------|
| . % | December 1, ____ | December 1, 1997 | 962727 ____ |

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

The CITY OF WHEATON, a municipal corporation and a home rule unit of the State of Illinois situate in the County of DuPage, 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 June 1, 1998 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 principal corporate trust office of LaSalle National Bank, in the City of Chicago, Illinois, as bond registrar or its successor (the "Bond Registrar"). This bond, as to principal when due, will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the principal corporate trust office of the Bond Registrar. The full faith and credit of the City are irrevocably pledged for the punctual payment of the principal of and interest on this bond according to its terms.

This bond is one of a series of bonds issued in the aggregate principal amount of \$5,000,000, which are authorized and issued under and pursuant to Section 6 of Article VII of the Illinois Constitution of 1970, and Section 2-566 of the Wheaton City Code and under and in accordance with an ordinance adopted by the City Council of the City on November 17, 1997 and entitled: "Ordinance Authorizing the Issuance of \$5,000,000 General Obligation Bonds, Series 1997, of the City of Wheaton, Illinois."

The bonds of such series maturing on or after December 1, 2007 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, 2004 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The bonds of such series due December 1, 2000, are subject to mandatory sinking fund redemption on December 1, 1999, to the extent required to satisfy an annual sinking fund installment in the amount of \$50,000, in part and by lot, at a redemption price equal to the principal amount thereof to be redeemed.

The bonds of such series due December 1, 2007, are subject to mandatory sinking fund redemption on the following dates to the extent required to satisfy annual sinking fund installments, in part and by lot, at a redemption price equal to the principal amount thereof to be redeemed:

| <u>Redemption Date</u> | <u>Sinking Fund Installment</u> |
|------------------------|---------------------------------|
| December 1, 2003 | \$25,000 |
| December 1, 2004 | 30,000 |
| December 1, 2005 | 30,000 |
| December 1, 2006 | 30,000 |

Notice of the redemption of bonds will be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of bonds to be redeemed at their last addresses appearing on such registration books. The bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the bonds or portions thereof to be redeemed, together with interest to the redemption

date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such bonds or portions thereof shall cease to accrue and become payable.

This bond is transferable only upon such registration books by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof at the principal 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 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 Wheaton 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: December 1, 1997

CITY OF WHEATON

Mayor

Attest:

City Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Bonds, Series 1997, described in the within mentioned Ordinance.

**LASALLE NATIONAL BANK,
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: _____

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Section 8. Levy and Extension of Taxes. For the purpose of providing the money required to pay the interest on the bonds when and as the same falls due and to pay and discharge the principal thereof as the same shall mature, there is hereby levied upon all the taxable property in the City, in each year while any of the 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> |
|----------------------|------------------------------------|
| 1997 | \$ 264,500.00 |
| 1998 | 267,531.26 |
| 1999 | 1,230,343.76 |
| 2000 | 1,170,937.50 |
| 2001 | 1,127,187.50 |
| 2002 | 108,437.50 |
| 2003 | 112,343.76 |
| 2004 | 111,031.26 |
| 2005 | 109,718.76 |
| 2006 | 853,406.26 |
| 2007 | 1,044,500.00 |

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.

As soon as this ordinance becomes effective, a copy thereof 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, who is hereby directed to ascertain the rate per cent required to produce the aggregate tax hereinbefore provided to be levied in the years 1997 to 2007, inclusive, and to extend the same for collection on the tax books in connection with other taxes levied in said years, in

and by the City for general corporate purposes of the City, and in said years such annual tax shall be levied and collected in like manner as taxes for general corporate purposes for said years are levied and collected and, when collected, such taxes shall be used for the purpose of paying the principal of and interest on the bonds herein authorized as the same become due and payable.

Section 9. Taxes Levied for Prior Bonds. The tax receipts derived from the taxes levied for the Prior Bonds with respect to the 1996 tax levy year and prior years shall be deposited in the 1997 Debt Service Fund established by this ordinance.

After the issuance of the bonds authorized by this ordinance, the City Treasurer shall file with the County Clerk of DuPage County, a certificate listing the Prior Bonds and the taxes theretofore levied for the payment of the principal of and interest on the Prior Bonds payable after December 30, 1997, and said certificates shall direct the abatement of such taxes.

Section 10. Escrow Deposit Agreement. The form of 1997 Escrow Deposit Agreement, dated as of December 1, 1997, by and between the City and LaSalle National Bank, as Escrow Agent, on file in the office of the City Clerk, is hereby approved. The proper officers of the City are authorized and directed to execute and deliver the 1997 Escrow Deposit Agreement on behalf of the City.

Section 11. Application of Proceeds. The proceeds of sale of the bonds (exclusive of accrued interest) shall be applied as follows:

1. To the 1997 Escrow Fund maintained under the 1997 Escrow Deposit Agreement, the amount, together with other moneys (if any) of the City deposited therein, necessary to provide for the redemption of the Prior Bonds

and to provide for the payment of interest to become due and payable on the Prior Bonds to their redemption date.

2. To the 1997 Bond Proceeds Fund established by this ordinance, the amount of such proceeds of sale remaining after making the foregoing payment.

Section 12. Debt Service Fund. Moneys derived from taxes herein levied are appropriated and set aside for the purpose of paying principal of and interest on the 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 bonds, shall be deposited in the "1997 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. All accrued interest received upon the issuance of the bonds shall be deposited in the 1997 Debt Service Fund.

Section 13. Bond Proceeds Fund. The "1997 Bond Proceeds Fund", is hereby established as a special fund of the City. Moneys in the 1997 Bond Proceeds Fund shall be used for the purpose of paying costs of the capital improvement specified in Section 1 of this ordinance and for the payment of costs of issuance of the bonds, but may hereafter 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 bonds.

Section 14. Investment Regulations. No investment shall be made of any moneys in the 1997 Escrow Fund, 1997 Debt Service Fund or the 1997 Bond Proceeds Fund except in accordance with the tax covenants set forth in Section 15 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 Public Debt, or in any tax-exempt bond that is not an "investment property" within the meaning of Section 148(b)(2) of the Internal Revenue Code of 1986. The Director of Finance and agents designated by him are hereby authorized to submit, on behalf of the City, subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

Section 15. 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 bond to become subject to federal income taxes in addition to federal income taxes to which interest on such bond is subject on the date of original issuance thereof.

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

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

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

Section 16. Bank Qualified Designation. The City hereby designates the bonds as "qualified tax-exempt obligations" as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986. The City represents that the reasonably anticipated amount of tax-exempt obligations that are required to be taken into account for the purpose of Section 265(b)(3)(C) of the Code and will be issued by or on behalf of the City and all subordinate entities of the City during 1997 does not exceed \$10,000,000. The City covenants that it will not designate and issue more than \$10,000,000 aggregate principal amount of tax-exempt obligations in the year in which the bonds are issued. For purposes of the two preceding sentences, the term "tax-exempt obligations" includes "qualified 501(c)(3) bonds" (as defined in the Section 145 of the Internal Revenue Code of 1986) but does not include other "private activity bonds" (as defined in Section 141 of the Internal Revenue Code of 1986).

Section 17. Continuing Disclosure. For the benefit of the beneficial owners of the bonds, the City covenants and agrees to provide an annual report containing certain financial information and operating data relating to the City and to provide notices of the occurrence of certain enumerated events, if material.

The annual report shall be filed with each Nationally Recognized Municipal Securities Information Repository and with the Illinois state information depository, if any, within 180 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 filed within 30 days after it becomes available.

The City also covenants and agrees, for the benefit of the beneficial owners of the bonds, to provide timely notice to the Municipal Securities Rulemaking Board and to the Illinois state information depository, if any, of any failure of the City to file any such annual report within the 180 day period and of the occurrence of any of the following events with respect to the bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (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 or events affecting the tax-exempt status of the bonds; (7) modifications to rights of bondholders; (8) bond calls; (9) defeasances; (10) release, substitution or sale of property securing repayment of the bonds; and (11) rating changes.

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 bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The chief financial officer of the City is authorized and directed to do and perform, or cause to be done or performed, for or on behalf of the City, each and

every thing necessary to accomplish the undertakings of the City contained in this Section for so long as Rule 15c2-12(b)(5) is applicable to the bonds and the City remains an "obligated person" under the Rule with respect to the bonds.

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

Section 18. Bond Registrar. 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 where 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 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 bond so authenticated but with respect to all

the 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 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 bonds within twenty days after such appointment. Any bond registrar appointed under the provisions of this Section shall be a bank, trust company or national banking association maintaining its principal corporate trust office in the State of Illinois, the City of St. Louis, Missouri or the Borough of Manhattan, City and State of New York.

Section 19. Book-Entry System. In order to provide for the initial issuance of the bonds in a form that provides for a system of book-entry only transfers, the ownership of one fully registered bond for each maturity, in the aggregate principal amount of such maturity, shall be registered in the name of Cede & Co., as a nominee of The Depository Trust Company, as securities depository for the bonds. The Director of Finance 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.

The City may remove the securities depository at any time. In case at any time the securities depository shall resign or shall be removed 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 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.

The City may terminate the system of book-entry only transfers for the bonds at any time, by written notice to the securities depository directing it to notify its participants of the availability of bond certificates. In such event, the City shall issue and the bond registrar shall authenticate, register and deliver to the beneficial owners of the bonds, bond certificates in replacement of such beneficial owners' beneficial interests in the bonds, all as shown in the records maintained by the securities depository.

Section 20. Defeasance and Payment of Bonds. (A) If the City shall pay or cause to be paid to the registered owners of the bonds, the principal and interest due or to become due thereon, at the times and in the manner stipulated therein and in this ordinance, then the pledge of taxes, securities and funds hereby pledged and the covenants, agreements and other obligations of the City to the registered owners and the beneficial owners of the bonds shall be discharged and satisfied.

(B) Any bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such bonds, shall be deemed to have been paid within the meaning of paragraph (A) of this Section if (1) in case any such bonds are to be redeemed prior to the maturity thereof, there shall have been taken

all action necessary to call such 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 and interest due and to become due on said 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 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 bonds.

All of the bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the 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 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.

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, approval and publication in pamphlet form.

Adopted this 17th day of November, 1997, by roll call vote as follows:

FILED

Ayes: Councilwoman Davenport; Councilman Eckhoff; Councilman Gresh; Mayor Carr; Councilman Johnson; Councilwoman Johnson, and Councilman Mork.

Larry A. Hild

DuPage County Clerk

Nays: None.

Absent: None.

Motion Carried Unanimously

Approved: November 17, 1997

James Carr

Mayor

Published in pamphlet form: November 18, 1997

(SEAL)

Attest:

Emily M. Conzelmann

City Clerk

FILED**CERTIFICATE**

NOV 20 1997

I, Emily M. Consolazio, City Clerk of the City of Wheaton, Illinois, ^{Em. A. City} hereby certify that the foregoing ordinance entitled: "Ordinance Authorizing the Issuance of \$5,000,000 General Obligation Bonds, Series 1997, of the City of Wheaton, 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 7:30 p.m. on November 17, 1997, in the City Hall Council Chambers, 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 November 17, 1997, and thereafter published in pamphlet form on November 18, 1997 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.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this 18th day of November, 1997.

Emily M. Consolazio
City Clerk

(SEAL)