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ORDINANCE NUMBER 26-O-21

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$11,000,000 AGGREGATE PRINCIPAL AMOUNT OF EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021 (ROYCEMORE SCHOOL) OF THE CITY OF EVANSTON, ILLINOIS, FOR THE BENEFIT OF ROYCEMORE SCHOOL; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND TRUST INDENTURE, LOAN AGREEMENT AND OTHER DOCUMENTS RELATED THERETO; AUTHORIZING THE SALE OF SAID BONDS TO STIFEL, NICOLAUS & COMPANY, INCORPORATED, AS UNDERWRITER; AND APPROVING RELATED MATTERS THERETO.

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Introduced on the 22<sup>nd</sup> day of March, 2021.

Adopted by the City Council on the 12<sup>th</sup> day of April, 2021.

Published in Pamphlet Form by Authority of the City Council on the 14 day of April, 2021.

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**WHEREAS**, pursuant to the provisions of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, the City of Evanston, Cook County, Illinois (the “*City*”), a municipality and home rule unit of the State of Illinois (the “*State*”), is authorized and empowered to exercise any power or perform any function pertaining to its government or affairs, including the issuance of revenue bonds to finance projects within the territorial limits of the City or to refund bonds issued to finance said projects, and may authorize the issuance of such revenue bonds by ordinance adopted by the City Council of the City (the “*City Council*”);

**WHEREAS**, Roycemore School, an Illinois not for profit corporation (the “*Borrower*”), has requested that the City Council approve the issuance by the City of qualified 501(c)(3) revenue bonds under Section 145 of the Internal Revenue Code of 1986, as amended (the “*Code*”), through the issuance of its Educational Facility Revenue Bonds, Series 2021 (Roycemore School) (the “*Bonds*”);

**WHEREAS**, the Borrower desires that the Bonds be issued in order to be used, together with other available funds to (i) refinance the outstanding portion of the \$10,000,000 original amount of taxable note (the “*Taxable Note*”), currently outstanding in the aggregate amount of \$7,900,000, the proceeds of which Taxable Note refinanced the City of Evanston Educational Facilities Revenue Bonds, Series 2011 (the “*Series 2011 Bonds*”), the proceeds of which Series 2011 Bonds financed and refinanced (a) the acquisition of approximately 2.4 acres of land located at 1200 Davis Street, Evanston, Illinois 60201 (the “*Campus*”) with an existing three level, 66,000 square foot building (the “*Facility*” and together with the Campus, the “*School Facility*”); (b) the renovation, remodeling, improvement, and equipping of said School Facility; (c) the construction and equipping of a gymnasium on the Campus (collectively, the “*Project*”); (d) the funding of certain working capital; (e) the payment of capitalized interest with respect to certain portions of the Project; (f) the funding of a debt service reserve fund; and (g) the payment of certain costs incurred in connection with the issuance of the Series 2011 Bonds; (ii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Borrower; and (iii) pay certain costs incurred in connection with the issuance of the Bonds (collectively, the “*Financing Purposes*”);

**WHEREAS**, the City proposes to issue the Bonds on behalf of the Borrower pursuant to a Bond Trust Indenture (the “*Indenture*”) between the City and Wilmington Trust, National Association, as trustee (the “*Trustee*”) and loan the proceeds from the sale of the Bonds pursuant to a Loan Agreement (the “*Loan Agreement*”) between the City and the Borrower, and in accordance with this Ordinance authorizing the Bonds;

**WHEREAS**, the issuance of the Bonds and the loan of the proceeds thereof to the Borrower to finance the Financing Purposes will be economically beneficial to the Borrower and will enable the Borrower to offer more of its services to the City’s residents, thereby promoting the well-being of the residents of the City, and will enhance the quality of life of the residents of the City, and therefore is for a proper public purpose;

**WHEREAS**, in connection with the issuance of the Bonds, the following additional documents will be executed and delivered by parties other than the City (collectively, the “*Additional Transaction Documents*”):

(a) Promissory Note of the Borrower (the “*Promissory Note*”), which will be pledged as security for the Bonds, in a principal amount equal to the aggregate principal amount of the Bonds and with prepayment, maturity and interest rate provisions similar to the Bonds; and

(b) Mortgage, Security Agreement and Assignment of Rents and Leases between the Borrower, as mortgagor, and the Trustee, as mortgagee (the “*Mortgage*”);

**WHEREAS**, forms of the Loan Agreement, the Purchase Agreement (as hereinafter defined), the Indenture and the Limited Offering Memorandum (as hereinafter defined) have been prepared and presented at this meeting;

**WHEREAS**, the Bonds shall be special, limited obligations of the City, payable solely from the revenues and income pursuant to the Loan Agreement, and the Bonds shall not constitute an indebtedness or obligation of the City, the State or any political subdivision thereof or a loan of credit of any of them, within the meaning of any constitutional or statutory provision, or a charge against the general credit or taxing powers, if any of the City, the State or any political subdivision thereof; and no holder of any Bond shall have the right to compel any exercise of the taxing power of the City, the State or any political subdivision thereof, to pay the principal of the Bonds or the interest or premium, if any, thereon;

**WHEREAS**, the Borrower has requested the City to issue the Bonds on a negotiated basis;

**WHEREAS**, pursuant to the provisions of Section 147(f) of the Code, the City Council, being the elected legislative body of the City and the applicable elected representative required to approve the issuance of the Bonds within the meaning of Section 147(f) of the Code, held a public hearing on the proposed issuance of the Bonds on March 22, 2021, pursuant to notice published at least seven (7) days prior to such public hearing in the *Chicago Sun-Times*, a newspaper of general circulation in the City, on March 10, 2021; and

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Evanston, Cook County, Illinois, as follows:

**Section 1.** All of the recitals contained in the preambles to this Ordinance are true, correct and complete and are hereby incorporated by reference thereto and are made a part hereof.

**Section 2.** The Financing Purposes are hereby authorized and determined to be in the public interest and in furtherance of the public purposes of the City.

In order to provide for the Financing Purposes, there shall be and there is hereby authorized to be issued by the City one or more series of bonds dated the date of issuance thereof, in the aggregate principal amount not to exceed \$11,000,000.

The Bonds shall be initially issuable in the aggregate principal amount established in the Purchase Agreement and the Indenture; shall mature no later than April 1, 2056; shall bear interest at the rate or rates as set forth in the Purchase Agreement and the Indenture which rate or rates shall not exceed 10% per annum (exclusive of any original premium or discount), shall be dated, executed and authenticated in the manner set forth in the Indenture; and shall be subject to redemption prior to maturity at the times, under the circumstances, in the manner and at the redemption price or purchase price set forth in the Indenture, as executed and delivered.

The Bonds are issued in the exercise of the City's powers as a home rule unit of government under the provisions of Article VII, Section 6(a) of the 1970 Constitution of the State and this Ordinance, and do not and shall never constitute an indebtedness or obligation of the City, the State or any political subdivision thereof or a loan of credit of any of them, within the meaning of any constitutional or statutory provision, or a charge against the general credit or taxing powers, if any, of the State, the City, or any other political subdivision thereof. The Bonds are special, limited obligations of the City, payable solely out of the revenues and income to be derived by the City pursuant to the Loan Agreement. The Bonds and the interest thereon shall never constitute a general obligation or commitment by the City to expend any of its funds other than (i) the proceeds of the sale of the Bonds, (ii) the income and revenues derived by the City pursuant to the Indenture, (iii) other amounts available under the Loan Agreement and (iv) moneys arising out of the investment or reinvestment of such proceeds, income, revenues or receipts. No owner of the Bonds shall have the right to compel any exercise of the taxing power of the City, the State or any other political subdivision thereof, to pay the principal of the Bonds or the interest or premium, if any, thereon.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Loan Agreement or the Indenture against any past, present or future member, officer, alderman, agent, employee or official of the City. No covenant, stipulation, promise, agreement or obligation contained in the Bonds, the Loan Agreement, the Indenture or any other document executed in connection therewith shall be deemed to be the covenant, stipulation, promise, agreement or obligation of any present or future official, officer, alderman, agent or employee of the City in his or her individual capacity and neither any official of the City nor any officers executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

**Section 3.** The Bonds shall be executed on behalf of the City with the manual or facsimile signature of the Mayor of the City (the "*Mayor*") and attested with the manual or facsimile signature of the City Clerk of the City and shall have printed thereon a facsimile of its official seal or impressed thereon manually its official seal. In case any officer who shall have signed (whether manually or in facsimile) any of the Bonds shall cease to be such officer of the City before the Bonds have been delivered, such Bonds with the signatures thereto affixed may nevertheless be delivered as though the person or persons who signed such Bonds had remained in office.

**Section 4.** The form, terms and provisions of the Loan Agreement, the Indenture and the Tax Compliance Agreement dated the date of delivery of the Bonds (the "*Tax Agreement*"), among the City, the Trustee and the Borrower, are hereby in all respects approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver the Loan Agreement, the Indenture and the Tax Compliance Agreement in the name and on behalf of the City. Each of the Loan Agreement and the Indenture, as executed and delivered, shall be in substantially the form now on file with the City

Treasurer and hereby approved, or with such changes therein as shall be approved by the officer of the City executing the same. Execution of the Loan Agreement and the Indenture shall constitute conclusive evidence of such officer's approval of any and all changes or revisions therein from the form of the Loan Agreement and the Indenture now before this meeting; and from and after the execution and delivery of the Loan Agreement and the Indenture, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute and approve all such documents as may be necessary to carry out the intent and accomplish the purposes of this Ordinance, the Indenture and the Loan Agreement, including the approval of the Promissory Note, the Mortgage or other security interests granted by the Borrower to secure the Bonds, and to comply with and make effective the provisions of the Loan Agreement and the Indenture, as executed.

The City is hereby authorized to enter into the Tax Agreement with the Borrower in the form to be approved by bond counsel, by counsel for the City and by counsel for the Borrower; that the Mayor be, and hereby is, authorized, empowered and directed to execute and deliver the Tax Agreement in the form so approved; that when the Tax Agreement is executed and delivered on behalf of the City as hereinabove provided, such Tax Agreement will be binding on the City; and that from and after the execution and delivery of the Tax Agreement, the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Tax Agreement as executed.

**Section 5.** The sale of the Bonds to Stifel, Nicolaus & Company, Incorporated, as underwriter (the "*Underwriter*") named in the bond purchase agreement (the "*Purchase Agreement*"), to be entered into among the City, the Underwriter and the Borrower, is hereby approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver the Purchase Agreement in the name and on behalf of the City. The Purchase Agreement, as executed and delivered, shall be in substantially the form now on file with the City Treasurer and hereby approved, or with such changes therein as shall be approved by the Mayor executing the same, his execution thereof to constitute conclusive evidence of approval thereof; and from and after the execution and delivery of the Purchase Agreement, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things to execute all such documents as may be necessary to carry out the intent and accomplish the purposes of this Ordinance and to comply with and make effective the provisions of the Purchase Agreement as executed. In connection with the sale of the Bonds, it is contemplated that a Preliminary Limited Offering Memorandum and a Final Limited Offering Memorandum (the "*Limited Offering Memorandum*") will be distributed and the City hereby approves the distribution of the Limited Offering Memorandum by the Underwriter in connection with the sale of the Bonds.

**Section 6.** From and after the execution and delivery of the foregoing documents, the proper officials, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents, including a Letter of Representations with The Depository Trust Company, as may be necessary to carry out and comply with the provisions of said documents as executed, and to further the purposes and intent of this Ordinance, including the preambles hereto.

**Section 7.** The publication of the notice of the public hearing and the conduct of such public hearing by the City Council on March 22, 2021 are hereby, in all respects, ratified, approved and confirmed. The City Council, as an "applicable elected representative" of the City pursuant to Section 147(f) of the Code, hereby approves the issuance of the Bonds to finance the Financing Purposes, and the plan of financing, under the terms and conditions set forth herein. This approval shall constitute the approval of the Bonds pursuant to Section 147(f) of the Code.

**Section 8.** All acts and doings of the officials of the City that are in conformity with the purposes and intent of this Ordinance and in furtherance of the issuance of the Bonds be, and the same are hereby in all respects, approved and confirmed.

**Section 9.** The provisions of this Ordinance are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity or enforceability of the remainder of the sections, phrases and provisions hereof.

**Section 10.** All ordinances, orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed.

**Section 11.** A copy of this Ordinance shall be filed in the office of the City Clerk and shall be made available for public inspection in the manner required by law.

**Section 12.** This Ordinance shall become effective upon its passage and approval.

Approved and adopted this 12<sup>th</sup> day of April, 2021.

Alderman Suffredin moved, seconded by Alderman Braithwaite that Ordinance No. 26-O-21 be adopted.

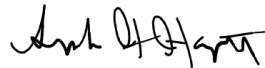
ADOPTED this 12<sup>th</sup> day of April, 2021.

Ayes: 8; Alderman Braithwaite, Alderman Wynne, Alderman Wilson, Alderman Simmons, Alderman Suffredin, Alderman Revelle, Alderman Rainey & Alderman Fleming

Nays:

Absent: 1; Alderman Fiske

WITNESS AND APPROVED: April 12, 2021



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Mayor, City of Evanston  
Cook County, Illinois

Published in pamphlet form by authority of the City Council on April 14, 2021.

ATTEST:



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City Clerk, City of Evanston  
Cook County, Illinois