



Memorandum

To: Honorable Mayor and Members of the City Council
Administration and Public Works Committee

From: Hitesh Desai, Chief Financial Officer

Subject: Ordinance 27-O-19, Authorizing 2019 A&B General Obligation Bonds

Date: April 22, 2019

Recommended Action:

Staff recommends adoption of Ordinance 27-O-19 providing for the issuance of one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019A, to finance the construction and equipment of a new Robert Crown Community Center, Ice Complex and Library Center and one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019B, for capital improvements, of the City of Evanston, Cook County, Illinois, authorizing the execution of one or more bond orders in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds, and authorizing and directing the sale of said bonds at public competitive sale. The ordinance was introduced at the City Council meeting on April 8, 2019. The final terms of the bonds will be approved by the Designated Officers under the ordinance after the bond sale, which is scheduled for May 16, 2019, by completion of the bond order as authorized by the bond ordinance.

Funding Source:

The debt service for 2019A Bonds will be paid out from various sources including funds raised by Friends of Robert Crown and a variety of existing or new revenue sources including the tax levy.

The debt service for 2019B bonds will be paid out of the future tax levy as well as Water Fund and Sewer Fund revenues as these bonds are issued to provide the funding for the general capital improvements, library improvements, and water and sewer infrastructure projects.

Livability Benefits:

Innovation & Process: Support Local Government Practices and Processes

Summary:

Staff recommends adoption of Ordinance 27-O-19 for the 2019 A&B bond issues. As in previous years, the City uses a parameters ordinance that provides a not-to-exceed limit for the bonds set at \$18,000,000 for the 2018A issue and \$18,000,000 for the 2018B issue. This allows for any favorable issuance structure that is slightly different than the par amount desired. The City plans to receive \$15,000,000 in project funds for the 2019A issue and \$15,000,000 in project funds for the 2019B issue. The final amount of bonds issued may vary based on the actual bid responses.

2019A Issue – Robert Crown Center

The 2019A General Obligation Bond funds will be used to fund the Robert Crown Community Center, Ice Complex, and Library Project. The City plans to receive \$15,000,000 in bond proceeds to be used for construction costs on the project. The Friends of Robert Crown will give a donation of \$5 million prior to June 2019 for construction costs on the project, with an additional \$1 million to be received prior to March 2020.

In 2018, the City issued approximately \$25 million in G.O. bonds for the project. The total amount of bonds issued for the project in the 2018 and 2019 issues is \$40,000,000.

The City held a Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing on June 25, 2018 for the amount of not to exceed \$50,000,000 in General Obligation Bonds for the purpose of the Robert Crown Center Project. This hearing was required as a part of issuing the bonds as 501(c)(3) bonds, which allows the City-owned center to be used by 501(c)(3) organizations, including sports and community programming groups. Because the total with the 2019A issue falls within this \$50,000,000, no additional TEFRA hearing is required for the 2019A issue.

As a response to discussion at the April 8, 2019 City Council meeting, staff prepared a report on M/W/EBE & LEP hiring for the Robert Crown Project, which is included as Attachment 1 to this memo.

2019B Issue

The 2019B General Obligation Bond funds will be used for general capital projects, library improvements and water and sewer infrastructure projects. A summary of the amounts per project area is shown in the table below, with the full project list included in Attachment 1. The City expects to receive \$15,000,000 in project funds from the 2019B issue.

2019B Bond Summary	
Major Projects	\$ 1,000,000
Other Transportation	\$ 3,951,000
Parks	\$ 1,045,000
Facilities	\$ 2,715,000
Miscellaneous	\$ 524,000
TOTAL 2019 General Capital Projects	\$ 9,235,000
Library Fund	\$ 1,835,000
Water Fund	\$ 2,930,000
Sewer Fund	\$ 1,000,000
TOTAL 2019B GO Bonds	\$ 15,000,000

Capital Improvement Program

The FY 2019 Capital Improvement Program (CIP) contains a detailed list of projects funded by general obligation bonds, and based on revised estimates the specific project funding is listed as Attachment 1 to this report.

Library Fund

The 2019B bond issue includes \$1,835,000 in general obligation debt for Library projects as detailed in Attachment 2. This includes \$1,250,000 for the library branch at the new Robert Crown Center. The library issued \$1,250,000 in bonds for this branch in 2018, and this 2019 bond is the final amount to be issued by the library towards the project.

Water Fund

The 2019B bond issue includes \$2,930,000 in general obligation debt for water infrastructure projects. The debt service on these bonds will not impact the general tax levy as principal and interest will be abated by payments from the Water Fund each year.

Sewer Fund

The 2019B bond issue includes \$1,000,000 in general obligation debt for sewer infrastructure work at the Crown Center site. The debt service on these bonds will not impact the general tax levy as principal and interest will be abated by payments from the Sewer Fund each year.

Debt Limit

A summary of the City's current unabated principal debt and the impact of the proposed G.O. bond issuance are provided in the table below. These numbers have changed slightly from the April 8 City Council meeting as a result of updated financing

projections. Unabated debt is debt that is paid for by the property tax levy. Abated debt is paid from other sources, including enterprise funds or TIF Funds.

Unabated General Obligation Debt	
Unabated Principal as of 01/01/2019	\$ 134,525,872
Proposed 2019 A&B Bonds – unabated principal	\$ 22,635,000
Total Unabated Debt	\$ 157,160,872
2019 payment (unabated principal only)	\$ (7,219,250)
Total Unabated Debt as of December 31, 2019	\$ 149,941,622

From the proposed 2019 A&B bond issues, the amounts for the Robert Crown Center Project, general CIP projects, and library projects are considered unabated. The amounts for the Water and Sewer Fund projects that will be supported by those funds are considered abated.

The City's unabated General Obligation debt limit was increased to \$152,000,000 in aggregate principal amount by Resolution 35-R-19 on April 8, 2019. This is being revised with Resolution 44-R-19 to \$160,000,000 to ensure compliance from the date of issuance. This allows for any unexpected issuance structure that is different than the current projected principal amount. This is a self-imposed limit, as Illinois state law does not have set limits on debt for home rule municipalities.

Staff plans to return to the City Council at its December 9, 2019 City Council meeting with additional amendments to the budget policy reducing the debt limit back to \$152 million and add language indicating that this limit is measured with outstanding indebtedness annually on December 31.

Attachments

1. Robert Crown Community Center – M/W/EBE & LEP Reporting
2. List of 2019 Debt Funded CIP Projects
3. 2019 Bond Ordinance 27-O-19
4. Preliminary Official Statement for 2019 Bonds

Robert Crown Community Center
 Contractor : Bully and Andrews (B&A)
 MWEBE & LEP reporting as of 04/08/2019

Bid Category	Sub Contractor	Contract Award Amt	MBE Cost	WBE Cost	EBE Cost	Total
Existing Conditions	Wreckon	\$210,000	-	-	\$210,000	\$210,000
Concrete	Elliott Constr	2,868,200	527,000	-	428,250	955,250
Masonry	Iwanski Masonry	2,238,000	492,360	-	-	492,360
Metals	Amer. Steel	305,000	-	305,000	-	305,000
Wood /Plastics/Comp	Art Magic	430,000	-	126,420	-	126,420
Thermal & Moisture	Pine Waterproof	56,000	-	56,000	-	56,000
	Metal Masters	260,000	62,400	10,400	-	72,800
	Olsson Roofing	540,000	100,000	-	-	100,000
	LB Hall	378,684	378,684	-	-	378,684
Finishes	Bourbon Tile	198,000	-	198,000	-	198,000
	Central Rug & Tile	894,000	-	-	894,000	894,000
Equipment	Carroll Seating	179,000	30,430	-	-	30,430
Special Construction	Ice Builders	1,828,000	-	-	96,000	96,000
Plumbing	Triton Plumbing	965,000	106,150	-	-	106,150
HVAC	Air Design Sys	3,568,000	-	3,568,000	-	3,568,000
Electrical	Gurtz	3,697,000	369,700	554,550	110,910	1,035,160
Earthwork	Revcon	907,000	36,280	-	226,750	263,030
Exterior Improvements	Martin Cement	916,858	-	-	284,226	284,226
Total Cost (MWEBE reporting)		\$20,438,742	\$2,103,004	\$4,818,370	\$2,250,136	\$9,171,510
Total Contract		\$37,342,536				

5.62% 12.87% 6.01%

Overall % MWEBE Award to Date

24.50%

Note: 1. B&A's Evanston spending outside the project at \$574,224 with Evanston Lumber & Hanson roofing

Local Employment Program (LEP)

B&A Payroll Week Ending	Payroll No.	Total Work Hrs	Evanston Resident Hours
2/10/2019	30.00	83.00	43.00
2/17/2019	31.00	84.00	44.00
2/24/2019	32.00	84.50	44.50
3/3/2019	33.00	91.00	43.00
Total Hours		342.50	174.50
<u>B&A Total Hours to Date</u>		2,511.50	1,106.50
			44%
<u>Overall Project Hours including LEP</u>		23,080	1,593
			6.90%

Note: 1. Overall project hours of 1,593 includes B&A (1,106) and Everest Excavating (487)
 2. Average overtime for Evanston Resident is 9-12 hours
 3. Overall 4 residents on this project and 1 resident on other B&A project.

**City of Evanston
2019 Adopted Capital Improvement Program**

Project Title	FY 2019 GO Bond
MAJOR PROJECTS	
Main Street, McDaniel to Hartrey - Engr Svcs	\$ 100,000
Main Street, McDaniel to Hartrey - Const	\$ 900,000
TOTAL STREETS, SEWER, WATER MAIN PROJECTS	\$ 1,000,000
OTHER TRANSPORTATION	
Major Projects	
Bridge Inspection	\$ 10,000
Central Street Bridge Engr, Phase III	\$ 60,000
Central Street Bridge Construction	\$ 500,000
Ridge Avenue Signal Study	\$ 175,000
Traffic Signals - Emerson @ Maple/Elgin/Benson/Dodge - Const	\$ 1,250,000
Traffic Signals - Emerson @ Maple/Elgin/Benson/Dodge - Engr Svcs	\$ 56,000
Annual Projects	
General Phase I Engineering	\$ 20,000
Street Impr Program (Lighting, Pavement Marking)	\$ 210,000
Street Patching Program	\$ 600,000
Street Rejuvenation Pilot	\$ 100,000
Tallmadge Light Pole Mold Creation	\$ 70,000
Traffic Calming, Bicycle and Ped Improvements	\$ 300,000
Viaduct Improvement - Emerson/Ridge/GB	\$ 350,000
Alley Improvements	
North of Simpson, East of McDaniel	\$ 250,000
TOTAL TRANSPORTATION PROJECTS	\$ 3,951,000
PARKS	
Garden Park - Const	\$ 500,000
Lovelace Park - Tennis Court Rehab	\$ 250,000
McCullogh Park - Design Engr Svcs	\$ 100,000
Misc Park Improvements (Ackerman/Harbert/Cartwright)	\$ 120,000
Parks Contingency	\$ 75,000
TOTAL PARKS PROJECTS	\$ 1,045,000

City of Evanston 2019 Adopted Capital Improvement Program

Project Title	FY 2019 GO Bond
FACILITIES	
Chander - Electrical/HVAC - Engr Svcs	
Chandler - Fire Panel Replacement	\$ 30,000
Chandler - HVAC Improvements - Constr	\$ 530,000
Chandler - Roof Replacement	\$ 225,000
Civic Center - HVAC Improvements - Design Engr Svcs	\$ 250,000
Energy Efficiency Improvements	\$ 50,000
Facilities Contingency	\$ 45,000
Fire Station 1&4 - Bunkroom Improvements	\$ 150,000
Fire Station 2 - Emergency Generator Rehabilitation	\$ 50,000
Fire Station 3 - HVAC Improvements	\$ 75,000
Levy - BAS Upgrade	\$ 30,000
Levy - HVAC Improvements - Constr	\$ 350,000
Levy/Police Fire HQ - HVAC Improvements - Engr Svcs	\$ 40,000
Noyes - HVAC Study	\$ 100,000
Police Fire HQ - Emergency Generator Replacement	\$ 160,000
Police Fire HQ - HVAC Improvements (RTU 1)	\$ 250,000
Service Center - HVAC Study (Bldgs A & D)	\$ 125,000
TOTAL FACILITIES PROJECTS	\$ 2,460,000
MISCELLANEOUS	
Emergency Siren System Replacement	\$ 175,000
IT - Network Switch Reliability	\$ 78,000
Public Art	\$ 26,000
In-House Engineering Services	\$ 500,000
TOTAL MISCELLANEOUS PROJECTS	\$ 779,000
LIBRARY	
Main Library - Building Electrical Upgrades	\$ 70,000
Main Library - Building Life Safety Upgrades (Audio)	\$ 125,000
Main Library - Building Ventilation Upgrades	\$ 50,000
Main Library - Building Fire System Upgrades (code required)	\$ 160,000
Main Library - Building HVAC/Storm Pump Upgrade	\$ 70,000
Main Library - Building Lift Equipment Upgrades (elevators)	\$ 50,000
Main Library - Building Interiors/Exteriors (paint, trees, roof maint)	\$ 30,000
North Branch - North Branch Building Plumbing Upgrades	\$ 10,000
North Branch - Life Safety Upgrades	\$ 20,000
Contribution to Robert Crown Community Center Library	\$ 1,250,000
TOTAL LIBRARY PROJECTS	\$ 1,835,000

**City of Evanston
2019 Adopted Capital Improvement Program**

Project Title	FY 2019 GO Bond
WATER FUND	
Main Street, Maple to Hinman Design Engr Ph I/II	\$ 120,000
WM - Isabella, Prairie to Green Bay Road	\$ 330,000
WM - Emerson, Dodge to Ashland	\$ 800,000
WM - Hartrey, Dobson to Brummel	\$ 100,000
WM - Hartrey, Main to Washington	\$ 420,000
WM - Cowper, Harrison to Central	\$ 470,000
WM - Lincolnwood, Park Place to Isabella	\$ 450,000
WM - Payne, Darrow to Dewey	\$ 240,000
TOTAL WATER PROJECTS	\$ 2,930,000
SEWER FUND	
Sewer - Robert Crown Stormwater Detention	\$ 1,000,000
TOTAL SEWER PROJECTS	\$ 1,000,000
SUMMARY	
	FY 2019 GO Bond
Major Projects	\$ 1,000,000
Other Transportation	\$ 3,951,000
Parks	\$ 1,045,000
Facilities	\$ 2,460,000
Miscellaneous	\$ 779,000
TOTAL 2019 City Projects	\$ 9,235,000
Library Fund	\$ 1,835,000
Water Fund	\$ 2,930,000
Sewer Fund	\$ 1,000,000
TOTAL 2019 CIP	\$ 15,000,000

ORDINANCE NUMBER 27-O-19

AN ORDINANCE providing for the issuance of one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019A, to finance the construction and equipment of a new Robert Crown Community Center, Ice Complex and Library Center and one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019B, for capital improvements, of the City of Evanston, Cook County, Illinois, authorizing the execution of one or more bond orders in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds, and authorizing and directing the sale of said bonds at public competitive sale.

Introduced on the 8th day of April, 2019.

Adopted by the City Council on the
22nd day of April, 2019.

Published in Pamphlet Form by Authority of
the Corporate Authorities on the
22nd day of April, 2019.

TABLE OF CONTENTS

SECTION	HEADING	PAGE
	Preambles	1
SECTION 1.	DEFINITIONS	4
SECTION 2.	INCORPORATION OF PREAMBLES	8
SECTION 3.	DETERMINATION TO ISSUE BONDS	8
SECTION 4.	BOND DETAILS.	9
SECTION 5.	REGISTRATION OF BONDS; PERSONS TREATED AS OWNERS.....	11
SECTION 6.	BOOK-ENTRY PROVISIONS	12
SECTION 7.	EXECUTION; AUTHENTICATION	14
SECTION 8.	REDEMPTION	15
SECTION 9.	FORM OF BONDS.....	21
SECTION 10.	SECURITY FOR THE BONDS	28
SECTION 11.	TAX LEVY; ABATEMENTS.....	28
SECTION 12.	FILING WITH COUNTY CLERK	29
SECTION 13.	SALE OF BONDS; BOND ORDER(S); OFFICIAL STATEMENT	30
SECTION 14.	CONTINUING DISCLOSURE UNDERTAKING	31
SECTION 15.	CREATION OF FUNDS AND APPROPRIATIONS	32

SECTION 16.	NON-ARBITRAGE AND TAX-EXEMPTION	34
SECTION 17.	REIMBURSEMENT.....	35
SECTION 18.	MUNICIPAL BOND INSURANCE.....	35
SECTION 19.	RIGHTS AND DUTIES OF BOND REGISTRAR	36
SECTION 20.	DEFEASANCE.....	37
SECTION 21.	RECORD-KEEPING POLICY AND POST-ISSUANCE COMPLIANCE MATTERS	38
SECTION 22.	PUBLICATION OF ORDINANCE	38
SECTION 23.	SEVERABILITY	39
SECTION 24.	SUPERSEDER AND EFFECTIVE DATE.....	40

LIST OF EXHIBITS

A—FORM OF BOND ORDER

B—CONTINUING DISCLOSURE UNDERTAKING

ORDINANCE NUMBER 27-O-19

AN ORDINANCE providing for the issuance of one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019A, to finance the construction and equipment of a new Robert Crown Community Center, Ice Complex and Library Center and one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019B, for capital improvements, of the City of Evanston, Cook County, Illinois, authorizing the execution of one or more bond orders in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds, and authorizing and directing the sale of said bonds at public competitive sale.

PREAMBLES

WHEREAS

A. The City of Evanston, Cook County, Illinois (the "*City*"), has a population in excess of 25,000, and pursuant to the provisions of the 1970 Constitution of the State of Illinois and particularly Article VII, Section 6(a) thereof, is a home rule unit and as such may exercise any power or perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt.

B. Pursuant to the home rule provisions of Section 6 of Article VII, the City has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval.

C. The City Council of the City (the "*Corporate Authorities*") has determined it is necessary and convenient for the public health, safety, and welfare to finance a portion of the costs of the construction and equipment of a new Robert Crown Community Center, Ice Complex and Library Center, and to pay expenses incidental to same, including costs of issuance of bonds for such purpose

(such construction, equipment and related expenses and costs being the *“Robert Crown Project”*) at an estimated cost of approximately \$18,000,000; and, there being insufficient on hand and allocable to the purpose, the Corporate Authorities have determined it is necessary and convenient to borrow not to exceed said sum of \$18,000,000 at this time pursuant to the Act (as hereinafter defined) and, in evidence of such borrowing, to issue general obligation bonds of the City (the *“2019A Bonds”* as hereinafter further defined) for such purpose in not to exceed such principal amount.

D. The Corporate Authorities have determined it is necessary and convenient for the public health, safety, and welfare to provide for capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2019 in the City’s Capital Improvement Plan, as adopted and amended from time to time by the Corporate Authorities, and to pay expenses incidental to such improvements and costs of issuance of bonds for such purpose (such improvements and related expenses and costs being the *“Capital Improvement Project”*) at an estimated cost of approximately \$18,000,000; and, there being no funds on hand and allocable to the purpose, the Corporate Authorities have determined it is necessary and convenient to borrow not to exceed said sum of \$18,000,000 at this time pursuant to the Act and, in evidence of such borrowing, to issue general obligation bonds of the City (the *“2019B Bonds”* as hereinafter further defined) for such purpose in not to exceed such principal amount.

E. The Corporate Authorities have heretofore and it hereby expressly is determined that it is desirable and in the best interests of the City that there be authorized at this time the borrowing of money for the Robert Crown Project and the Capital Improvement Project and, in evidence of such borrowing, the issuance of bonds of the City, and that certain officers of the City be authorized to sell the 2019A Bonds and the 2019B Bonds and, accordingly, it is necessary that said officers be so authorized within certain parameters as hereinafter set forth.

F. Pursuant to the provisions of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the City published notice of a public hearing on the proposal to issue not to exceed \$50,000,000 in aggregate principal amount of bonds for the purpose of financing the costs of the Robert Crown Project (the “TEFRA Hearing”) in the *Chicago Tribune* on the 1st day of June, 2018, being not less than 14 and not more than 30 days before the date of the TEFRA Hearing.

G. On the 25th day of June, 2018, the Corporate Authorities, being the elected legislative body of the City and the applicable elected representative required to approve the issuance of said bonds within the meaning of Section 147(f) of the Code, conducted the TEFRA Hearing.

H. On the 9th day of July, 2018, the Corporate Authorities, being the elected legislative body of the City and the applicable elected representative required to approve the issuance of said bonds within the meaning of Section 147(f) of the Code, approved, confirmed and ratified the publication of the notice of and the conduct of the TEFRA Hearing pursuant to Section 147(f) of the Code and the proposed plan of the financing of the Robert Crown Project through the issuance of the said bonds, as required by Section 147(f) of the Code, constituting the public approval of the said bonds for purposes of Section 147(f) of the Code.

I. On the 7th day of August, 2018, the City issued \$24,385,000 General Obligation Corporate Purpose Bonds, Series 2018A, for the purpose of financing a portion of the Robert Crown Project, leaving approximately \$25,000,000 of TEFRA authority remaining.

NOW THEREFORE Be It Ordained by the City Council of the City of Evanston, Cook County, Illinois, in the exercise of its home rule powers, as follows:

Section 1. Definitions. Words and terms used in this Ordinance shall have the meanings given them, unless the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

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

Capital Improvement Project

City

Code

Corporate Authorities

Robert Crown Project

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

“2019A Bonds” means the General Obligation Corporate Purpose Bonds, Series 2019A, authorized to be issued by this Ordinance.

"2019B Bonds" means the General Obligation Corporate Purpose Bonds, Series 2019B, authorized to be issued by this Ordinance.

"Act" means the Illinois Municipal Code, as supplemented and amended, and also the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970; and in the event of conflict between the provisions of said Municipal Code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said Municipal Code; and, further, includes the Local Government Debt Reform Act, as amended.

"Ad Valorem Property Taxes" means the real property taxes levied to pay the Bonds as described and levied in Section 11 of this Ordinance.

"Bond Counsel" means Chapman and Cutler LLP, Chicago, Illinois.

"Bond Funds" means the Bond Funds established and defined in Section 15 of this Ordinance.

"Bond Moneys" means the Ad Valorem Property Taxes and any other moneys deposited into the Bond Funds and investment income held in the Bond Funds.

"Bond Order" means each Bond Order as authorized to be executed by Designated Officers of the City as provided in Section 13 of this Ordinance, substantially in the form attached hereto as *Exhibit A*, and by which the final terms of the Bonds described therein will be established.

"Bond Purchase Agreement" means the contract for the sale of each Series of the Bonds by and between the City and the Purchaser, which shall be in each instance the Official Bid Form, as executed, in response to an Official Notice of Sale given by the City in connection with the public competitive sale of each Series of the Bonds.

“Bond Register” means the books of the City kept by the Bond Registrar to evidence the registration and transfer of the Bonds, as provided in this Ordinance.

“Bond Registrar” means the bank, trust company, or national banking association to be designated in the Bond Order, or its successors, in its capacity as bond registrar and paying agent under this Ordinance, or a substituted bond registrar and paying agent as hereinafter provided.

“Bonds” means any of the one or more series of general obligation bonds of various names authorized to be issued by this Ordinance, including, specifically, the 2019A Bonds and the 2019B Bonds.

“Book-Entry Form” means the form of the Bonds as fully registered and available in physical form only to the Depository.

“Continuing Disclosure Undertaking” means the undertaking by the City for the benefit of the Purchaser as authorized in Section 14 of this Ordinance and substantially in the form as attached hereto as *Exhibit B*.

“County” means The County of Cook, Illinois.

“County Clerk” means the County Clerk of the County.

“Dated Date” means the dated date for each Series of Bonds, as set forth in the relevant Bond Order.

“Depository” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, its successors, or a successor depository qualified to clear securities under applicable state and federal laws.

“Designated Officers” means any two of the following: the Mayor, City Clerk, Treasurer/Chief Financial Officer, or City Manager, or successors or assigns, or any of them acting together; *provided, however*, that one such officer must be an elected officer.

“Financial Advisors” means PFM Financial Advisors LLC and Independent Public Advisors, LLC.

“Ordinance” means this Ordinance, numbered as set forth on the title page, and passed by the Corporate Authorities on the 22nd day of April, 2019.

“Purchase Price” means the price to be paid for the Bonds as set forth in a Bond Order, *provided* that no Purchase Price for any Series of Bonds shall be less than 99.0% of the par value of said Series of Bonds, plus accrued interest (if any) from the date of issue to the date of delivery.

“Purchaser” means, for any Series of Bonds, the winning bidder or syndicate at competitive sale.

“Record Date” means the 15th day of the month preceding any regular or other interest payment date occurring on the first day of any month and 15 days preceding any interest payment date occasioned by the redemption of Bonds on other than the first day of a month.

“Series” means any of the one or more separate series of the Bonds authorized to be issued pursuant to this Ordinance.

“Taxable” means, with respect to a Series of Bonds, the status of interest paid and received thereon as includible in gross income of the owners under the Code for federal income tax purposes.

“Tax-exempt” means, with respect to a Series of Bonds, the status of interest paid and received thereon as excludable from gross income of the owners thereof for federal income tax purposes and as not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but as taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

“Taxable Bonds” means the Bonds so designated in the Bond Order.

“Tax-exempt Bonds” means the Bonds so designated in the Bond Order.

“Term Bonds” means Bonds subject to mandatory redemption by operation of the Bond Fund and designated as term bonds in the Bond Order.

C. Definitions also appear in the above preambles or in specific sections, as appearing below. The table of contents preceding and the headings in this Ordinance are for the convenience of the reader and are not a part of this Ordinance.

Section 2. Incorporation of Preambles. The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are true, correct, and complete and do incorporate them into this Ordinance by this reference.

Section 3. Determination to Issue Bonds. It is necessary and in the best interests of the City to provide for the Robert Crown Project and the Capital Improvement Project, to pay all necessary or advisable related costs, and to borrow money and issue the Bonds for the purpose of paying such costs. It is hereby found and determined that such borrowing of money is for a proper public purpose or purposes, is in the public interest, and is authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive.

Section 4. Bond Details. A. THE 2019A BONDS. There shall be issued and sold the 2019A Bonds in one or more Series in the aggregate principal amount of not to exceed \$18,000,000. The 2019A Bonds shall each be designated “*General Obligation Corporate Purpose Bond, Series 2019A*” or such other name or names or series designations as may be appropriate and as stated in the relevant Bond Order; be dated the date of issuance thereof or such other Dated Date on or prior to the initial date of issuance as may be set forth in the relevant Bond Order if it is determined therein to be a date better suited to the advantageous marketing of the 2019A Bonds; and shall also bear the date of authentication thereof. The 2019A Bonds shall be fully registered and in Book-Entry Form, shall be in denominations of \$5,000 or integral multiples thereof (but no single 2019A Bond shall represent principal maturing on more than one date), and shall be numbered consecutively within a Series in such fashion as shall be determined by the Bond Registrar. The 2019A Bonds shall become due and payable serially or as Term Bonds (subject to right of prior redemption if so provided in the Bond Order) on December 1 of the years in which the 2019A Bonds are to mature. The 2019A Bonds shall mature in the amounts and in the years as shall be set forth in the relevant Bond Order, *provided, however, that* (a) the final date of maturity of the 2019A Bonds shall not extend past December 1, 2043, and (b) the *sum* of the principal of and interest on the 2019A Bonds that shall become due (or subject to mandatory redemption) in any given annual period from December 2 to the following December 1 (a “*Bond Year*”) shall not exceed \$2,000,000. Each 2019A Bond shall bear interest at a rate not to exceed 7.0% from the later of its Dated Date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such 2019A Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing not earlier than December 1, 2019, or such other June 1 or December 1 not later than one year beyond the Dated Date as shall be provided in a relevant Bond

Order. The 2019A Bonds may be issued as Tax-exempt Bonds, Taxable Bonds or some combination thereof, as designated in the relevant Bond Order.

B. THE 2019B BONDS. There shall be issued and sold the 2019B Bonds in one or more Series in the aggregate principal amount of not to exceed \$18,000,000. The 2019B Bonds shall each be designated "*General Obligation Corporate Purpose Bond, Series 2019B*" or such other name or names or series designations as may be appropriate and as stated in the relevant Bond Order; be dated the date of issuance thereof or such other Dated Date on or prior to the initial date of issuance as may be set forth in the relevant Bond Order if it is determined therein to be a date better suited to the advantageous marketing of the 2019B Bonds; and shall also bear the date of authentication thereof. The 2019B Bonds shall be fully registered and in Book-Entry Form, shall be in denominations of \$5,000 or integral multiples thereof (but no single 2019B Bond shall represent principal maturing on more than one date), and shall be numbered consecutively within a Series in such fashion as shall be determined by the Bond Registrar. The 2019B Bonds shall become due and payable serially or as Term Bonds (subject to right of prior redemption if so provided in the Bond Order) on December 1 of the years in which the 2019B Bonds are to mature. The 2019B Bonds shall mature in the amounts and in the years as shall be set forth in the relevant Bond Order, *provided, however, that* (a) the final date of maturity of the 2019B Bonds shall not extend past December 1, 2039 and (b) the *sum* of the principal of and interest on the 2019B Bonds that shall become due (or subject to mandatory redemption) in any given Bond Year shall not exceed \$2,000,000. Each 2019B Bond shall bear interest at a rate not to exceed 7.0% from the later of its Dated Date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such 2019B Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing not earlier than December 1, 2019, or such other June 1 or December 1 not later than one year beyond the Dated Date as shall be provided in

a relevant Bond Order. The 2019B Bonds may be issued as Tax-exempt Bonds, Taxable Bonds or some combination thereof, as designated in the relevant Bond Order.

C. GENERAL. Interest on each Bond shall be paid by check or draft of the Bond Registrar, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date and mailed to the registered owner of the Bond as shown in the Bond Registrar or at such other address furnished in writing by such Registered Owner, or as otherwise may be agreed with the Depository for so long as the Depository or its nominee is the registered owner as of a given Record Date. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the office of the Bond Registrar maintained for the purpose.

Section 5. Registration of Bonds; Persons Treated as Owners. The City shall cause the Bond Register to be kept at the office of the Bond Registrar maintained for such purpose, which is hereby constituted and appointed the registrar of the City for the Bonds. The City shall prepare, and the Bond Registrar or such other agent as the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds. Subject to the provisions of this Ordinance relating to the Bonds in Book-Entry Form, any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the office of the Bond Registrar maintained for the purpose, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date, and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like Series and tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like

aggregate principal amount. The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date or during the period of 15 days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or any portion of which has been called for redemption. The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however*, the principal amount of Bonds of each Series and maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such Series and maturity less the amount of such Bonds which have been paid. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. No service charge shall be made to any registered owner of Bonds for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

Section 6. Book-Entry Provisions. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of each of the Series of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of the Depository or a designee or nominee of the Depository (such depository or nominee being the “*Book-Entry Owner*”). Except as otherwise expressly provided, all of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of the Book-Entry Owner (and accordingly

in Book-Entry Form as such term is used in this Ordinance). Any City officer, as representative of the City, is hereby authorized, empowered, and directed to execute and deliver or utilize a previously executed and delivered Letter of Representations or Blanket Letter of Representations (either being the “*Letter of Representations*”) substantially in the form common in the industry, or with such changes therein as the officer executing the Letter of Representations on behalf of the City shall approve, his or her execution thereof to constitute conclusive evidence of approval of such changes, as shall be necessary to effectuate Book-Entry Form. Without limiting the generality of the authority given with respect to entering into such Letter of Representations, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interests therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices. With respect to Bonds registered in the Bond Register in the name of the Book-Entry Owner, none of the City, any City officer, or the Bond Registrar shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank, or other financial institution being referred to herein as a “*Depository Participant*”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the City, any City officer, and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Book-Entry Owner, or any Depository Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register or as otherwise expressly provided in the Letter of Representations, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as

shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. In the event that (a) the City determines that the Depository is incapable of discharging its responsibilities described herein and in the Letter of Representations, (b) the agreement among the City, the Bond Registrar, and the Depository evidenced by the Letter of Representations shall be terminated for any reason, or (c) the City determines that it is in the best interests of the City or of the beneficial owners of a Series of the Bonds either that they be able to obtain certificated Bonds or that another depository is preferable, the City shall notify the Depository and the Depository shall notify the Depository Participants of the availability of Bond certificates, and the Bonds (of a given Series if applicable) shall no longer be restricted to being registered in the Bond Register in the name of the Book-Entry Owner. Alternatively, at such time, the City may determine that the Bonds of such Series shall be registered in the name of and deposited with a successor depository operating a system accommodating Book-Entry Form, as may be acceptable to the City, or such depository's agent or designee, but if the City does not select such alternate Book-Entry system, then the Bonds of such Series shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 7. Execution; Authentication. The Bonds shall be executed on behalf of the City by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk, as they may determine, and shall be impressed or imprinted with the corporate seal or facsimile seal of the City. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form provided, duly executed by the Bond Registrar as authenticating agent of the City and showing the

date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance.

Section 8. Redemption. The Bonds may be subject to redemption on the terms set forth below.

A. Optional Redemption. If so provided in the relevant Bond Order, any Bonds may be subject to redemption prior to maturity at the option of the City, in whole or in part on any date, at such times and at such optional redemption prices as shall be determined by the Designated Officers in the relevant Bond Order. Such optional redemption prices shall be expressed as a percentage of the principal amount of Tax-Exempt Bonds to be redeemed, *provided* that such percentage shall not exceed 103.0%, plus accrued interest to the date of redemption. If less than all of the outstanding Bonds of a Series are to be optionally redeemed, the Bonds to be called shall be called from such Series, in such principal amounts, and from such maturities as may be determined by the City and within any maturity in the manner hereinafter provided. As provided in the Bond Order, some portion or all of the Bonds may be made not subject to optional redemption.

B. Term Bonds; Mandatory Redemption and Covenants; Effect of Purchase or Optional Redemption of Term Bonds. The Bonds of any Series may be subject to mandatory redemption (as Term Bonds) as provided in a Bond Order; *provided, however,* that in such event the amounts due pursuant to mandatory redemption shall be the amounts used to satisfy the test set forth in Section 4 of this Ordinance for the maximum amounts of principal and interest due on the Bonds in any given Bond Year. Bonds designated as Term Bonds shall be made subject to mandatory redemption by operation of the

Bond Fund at a price of not to exceed par and accrued interest, without premium, on December 1 of the years and in the amounts as shall be determined in a Bond Order. The City covenants that it will redeem Term Bonds pursuant to the mandatory redemption requirement for such Term Bonds. Proper provision for mandatory redemption having been made, the City covenants that the Term Bonds so selected for redemption shall be payable as at maturity, and taxes shall be levied and collected as provided herein accordingly. If the City redeems pursuant to optional redemption as may be provided or purchases Term Bonds of any maturity and cancels the same from Bond Moneys as hereinafter described, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the mandatory redemption requirements provided for Term Bonds of such maturity, first, in the current year of such requirement, until the requirement for the current year has been fully met, and then in any order of such Term Bonds as due at maturity or subject to mandatory redemption in any year, as the City shall determine. If the City redeems pursuant to optional redemption as may be provided or purchases Term Bonds of any maturity and cancels the same from moneys other than Bond Moneys, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the amount of such Term Bonds as due at maturity or subject to mandatory redemption requirement in any year, as the City shall determine.

C. Redemption Procedures. Any Bonds subject to redemption shall be identified, notice given, and paid and redeemed pursuant to the procedures as follows.

(1) *Redemption Notice.* For a mandatory redemption, unless otherwise notified by the City, the Bond Registrar will proceed on behalf of the City as its agent to provide for the mandatory redemption of such Term Bonds without further order or direction hereunder or otherwise. For an optional redemption, the City, shall, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the Series, principal amounts, and

maturities of Bonds to be redeemed and, if applicable, the effect on any schedule of mandatory redemption of Term Bonds.

(2) *Selection of Bonds within a Maturity.* For purposes of any redemption of less than all of the Bonds of a Series of a single maturity, the particular Bonds or portions of Bonds of that Series to be redeemed shall be selected by lot by the Bond Registrar for the Bonds of that Series of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall make such selection (a) upon or prior to the time of the giving of official notice of redemption, or (b) in the event of a refunding or defeasance, upon advice from the City that certain Bonds have been refunded or defeased and are no longer Outstanding as defined.

(3) *Official Notice of Redemption.* The Bond Registrar shall promptly notify the City in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed. Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class U.S. mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All official notices of redemption shall include the name of the Bonds and at least the information as follows:

- (a) the redemption date;

(b) the redemption price;

(c) if less than all of the outstanding Bonds of a Series of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds of that Series within such maturity, the respective principal amounts) of the Bonds to be redeemed;

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

(e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office designated for that purpose of the Bond Registrar.

(4) *Conditional Redemption.* In the case of an optional redemption of Bonds as described in paragraph A, above, unless moneys sufficient to pay the redemption price of the Bonds to be optionally redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

(5) *Bonds Shall Become Due.* Official notice of redemption having been given as described, the Bonds or portions of Bonds so to be redeemed shall, subject to the stated

condition with respect to an optional redemption of Bonds in the paragraph (4) immediately preceding, on the redemption date, become due and payable at the redemption price therein specified; and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due.

(6) *Insufficiency in Notice Not Affecting Other Bonds; Failure to Receive Notice; Waiver.* Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit, or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. In lieu of the foregoing official notice, so long as the Bonds are held in Book-Entry Form, notice may be given as provided in the Letter of Representations; and the giving of such notice shall constitute a waiver by the Depository and the Book-Entry Owner, as registered owner, of the foregoing notice. After giving proper notification of redemption to the Bond Registrar, as applicable, the City shall not be liable for any failure to give or defect in notice.

(7) *New Bond in Amount Not Redeemed.* Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds

of like tenor, of authorized denominations, of the Series and the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

(8) *Effect of Nonpayment upon Redemption.* If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall become due and payable on demand, as aforesaid, but, until paid or duly provided for, shall continue to bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption.

(9) *Bonds to Be Cancelled; Payment to Identify Bonds.* All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(10) *Additional Notice.* The City agrees to provide such additional notice of redemption as it may deem advisable at such time as it determines to redeem Bonds, taking into account any requirements or guidance of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the Governmental Accounting Standards Board, or any other federal or state agency having jurisdiction or authority in such matters; *provided, however,* that such additional notice shall be (a) advisory in nature, (b) solely in the discretion of the City (unless a separate agreement shall be made), (c) not be a condition precedent of a valid redemption or a part of the Bond contract, and (d) any failure or defect in such notice shall not delay or invalidate the redemption of Bonds for which proper official notice shall have been given. Reference is also made to the provisions of the Continuing Disclosure Undertaking of the

City with respect to the Bonds, which may contain other provisions relating to notice of redemption of Bonds.

(11) *Bond Registrar to Advise City.* As part of its duties hereunder, the Bond Registrar shall prepare and forward to the City a statement as to notices given with respect to each redemption together with copies of the notices as mailed.

Section 9. Form of Bonds. The Bonds shall be in substantially the form hereinafter set forth; *provided, however,* that if the text of the Bonds is to be printed in its entirety on the front side of the Bonds, then the second paragraph on the front side and the legend "See Reverse Side for Additional Provisions" shall be omitted and the text of paragraphs set forth for the reverse side shall be inserted immediately after the first paragraph.

[FORM OF BONDS - FRONT SIDE]

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

THE COUNTY OF COOK

CITY OF EVANSTON

GENERAL OBLIGATION CORPORATE PURPOSE BOND, SERIES 2019[A][B]

See Reverse Side for
Additional Provisions.

Interest Maturity Dated
Rate: ____% Date: December 1, ____ Date: _____, 2019 CUSIP: 299228__

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the City of Evanston, Cook County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond

identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on June 1 and December 1 of each year, commencing _____ 1, 20___, until said Principal Amount is paid or duly provided for. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the office maintained for that purpose at _____, located in the City of _____, _____, as paying agent and bond registrar (the "Bond Registrar"). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar at the close of business on the applicable Record Date. The Record Date shall be the 15th day of the month preceding any regular interest payment date or a redemption on the first day of any month and the 15th day preceding any other interest payment date which may be occasioned by a redemption of Bonds on a day other than the first day of any month. Interest shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books, or at such other address furnished in writing by such Registered Owner to the Bond Registrar, or as otherwise agreed by the City and the Bond Registrar for so long as this Bond is held by a qualified securities clearing corporation as depository, or nominee, in Book-Entry Form as provided for same.

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

It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, including the Act, have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any

constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the City sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

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

IN WITNESS WHEREOF the City of Evanston, Cook County, Illinois, by its City Council, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

SPECIMEN

Mayor, City of Evanston

Cook County, Illinois

ATTEST:

SPECIMEN

City Clerk, City of Evanston

Cook County, Illinois

[SEAL]

[FORM OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Corporate Purpose Bonds, Series 2019[A][B], having a Dated Date of _____, 2019, of the City of Evanston, Cook County, Illinois.

_____, _____
as Bond Registrar

Date of Authentication: _____, 20__

By _____ SPECIMEN _____
Authorized Officer

[FORM OF BONDS - REVERSE SIDE]

This bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$_____ issued by the City for the purpose of paying [a portion of] the costs of the [Robert Crown Project][Capital Improvement Project], and of paying expenses incidental thereto, all as described and defined in Ordinance Number 27-O-19 of the City, passed by the City Council on the 22nd day of April, 2019, authorizing the Bonds (as supplemented by the Bond Order authorized therein and executed in connection with the sale of the Bonds, the "Ordinance"), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as supplemented and amended, and as further supplemented and, where necessary, superseded, by the powers of the City as

a home rule unit under the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, and pursuant to the provisions of the Local Government Debt Reform Act, as amended (such code and powers, as supplemented, being the "Act"), and with the Ordinance, which has been duly executed by the Mayor, and published in pamphlet form, in all respects as by law required.

[Optional and Mandatory Redemption provisions, as needed.]

This Bond is subject to provisions relating to redemption and notice thereof and other terms of redemption; provisions relating to registration, transfer, and exchange; and such other terms and provisions relating to security and payment as are set forth in the Ordinance; to which reference is hereby expressly made, and to all the terms of which the Registered Owner hereof is hereby notified and shall be subject.

The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

[FORM OF ASSIGNMENT]

ASSIGNMENT

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

Here insert Social Security Number, Employer Identification Number or other Identifying Number.

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

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

Dated: _____

Signature guaranteed: _____

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

Section 10. Security for the Bonds. The Bonds are a general obligation of the City, for which the full faith and credit of the City are irrevocably pledged, and are payable from the levy of the Ad Valorem Property Taxes on all of the taxable property in the City, without limitation as to rate or amount.

Section 11. Tax Levy; Abatements. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity or as subject to mandatory redemption, there is hereby levied upon all of the taxable property within the City, in the years for which any Series of the Bonds are outstanding, a direct annual tax sufficient for that purpose for each Series of Bonds; and there is hereby levied upon all of the taxable property within the City, in the years for which any Series of the Bonds are outstanding, a direct annual tax (the "Ad Valorem Property Taxes" as defined) in amounts as shall be fully set forth in the

Bond Order for each Series of the Bonds. Ad Valorem Property Taxes and other moneys on deposit in the Bond Fund from time to time ("*Bond Moneys*" as herein defined) shall be applied to pay principal of and interest on each Series of the Bonds. Interest on or principal of each Series of the Bonds coming due at any time when there are insufficient Bond Moneys to pay the same shall be paid promptly when due from current funds on hand in advance of the deposit of the Ad Valorem Property Taxes; and when the Ad Valorem Property Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. The City covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain outstanding the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the Ad Valorem Property Taxes. The City and its officers will comply with all present and future applicable laws in order to assure that the Ad Valorem Property Taxes may lawfully be levied, extended, and collected as provided herein. In the event that funds from any other lawful source are made available for the purpose of paying any principal of or interest on any of the Bonds so as to enable the abatement of the taxes levied herein for the payment of same, the Corporate Authorities shall, by proper proceedings, direct the transfer of such funds to the respective Bond Fund, and shall then direct the abatement of the taxes by the amount so deposited. The City covenants and agrees that it will not direct the abatement of taxes until money has been deposited into the respective Bond Fund in the amount of such abatement. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerk in a timely manner to effect such abatement.

Section 12. Filing with County Clerk. Promptly, after this Ordinance becomes effective and upon execution of the first Bond Order, a copy hereof, certified by the City Clerk, shall be filed with the County Clerk. Under authority of this Ordinance, the County Clerk shall in and for each of the years as set forth in each and every Bond Order ascertain the rate percent required to produce the aggregate Ad Valorem Property Taxes levied in each of such years; and the County Clerk shall extend the same for

collection on the tax books in connection with other taxes levied in such years in and by the City for general corporate purposes of the City; and in each of those years such annual tax shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes for such years are levied and collected, without limit as to rate or amount, and in addition to and in excess of all other taxes.

Section 13. Sale of Bonds; Bond Order(s); Official Statement. A. The Designated Officers are hereby authorized to proceed, without any further official authorization or direction whatsoever from the Corporate Authorities, to sell and deliver Bonds as herein provided. The Designated Officers shall be and are hereby authorized and directed to sell each Series of the Bonds to the Purchaser at not less than the Purchase Price, *provided, however,* that the following conditions shall also be met:

(1) The Purchaser shall be the winning bidder at public competitive sale of the respective Series of Bonds.

(2) The Financial Advisors shall provide advice (in the form of written certificate or report) that the terms of the Bonds are fair and reasonable in light of current conditions in the market for obligations such as the Bonds.

Nothing in this Section shall require the Designated Officers to sell the Bonds if in their judgment the conditions in the bond markets shall have markedly deteriorated from the time of adoption hereof, but the Designated Officers shall have the authority to sell the Bonds in any event so long as the limitations set forth in this Ordinance shall have been met. Incidental to any sale of the Bonds, the Designated Officers shall find and determine that no person responsible for sale of the Bonds and holding any office of the City either by election or appointment, is in any manner financially interested, either directly, in his or her own name, or indirectly, in the name of any other person, association, trust or corporation, in the agreement with the Purchaser for the purchase of the Bonds.

B. Upon the sale of the Bonds of any Series, the Designated Officers and any other officers of the City as shall be appropriate shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds of such Series as may be necessary, including, without limitation, a Bond Order, Official Statement, Bond Purchase Agreement, and closing documents; such certifications, tax returns, and documentation as may be required by Bond Counsel, including, specifically, a tax exemption certificate and agreement for the Bonds, to render their opinion(s) as to the Tax-exempt status of the interest on the Tax-exempt Bonds. The Preliminary Official Statement relating to the Bonds, such document to be in substantially the form now on file with the City Clerk and available to the Mayor and Aldermen and to members of the interested public, is hereby in all respects authorized and approved; and the proposed use by the Purchaser of an Official Statement (in substantially the form of the Preliminary Official Statement but with appropriate variations to reflect the final terms of the Bonds) is also hereby authorized and approved. The Designated Officers are (or any of them is) hereby authorized to execute each Bond Purchase Agreement and the Official Statement, their (his or her) execution to constitute full and complete approval of all necessary or appropriate completions and revisions as shall appear therein. Upon the sale of a Series of the Bonds, the Designated Officers so acting shall prepare the Bond Order for same, such document to be in substantially the form as set forth as *Exhibit A* attached hereto, which shall include the pertinent details of sale as provided herein, and which shall enumerate the levy of taxes to pay the Bonds, and such shall in due course be entered into the records of the City and made available to the Corporate Authorities. *The authority to sell the Bonds pursuant to any Bond Order as herein provided shall expire on December 31, 2019.*

Section 14. Continuing Disclosure Undertaking. The Mayor or any of the Designated Officers of the City is hereby authorized, empowered, and directed to execute and deliver the Continuing Disclosure Undertaking in substantially the same form as now before the City as *Exhibit B* to this

Ordinance, or with such changes therein as the officer executing the Continuing Disclosure Undertaking on behalf of the City shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees, and agents of the City, and the officers, employees, and agents of the City are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

Section 15. Creation of Funds and Appropriations. A. There is hereby created the “*Series 2019A Bonds Debt Service Account*” (the “*2019A Bond Fund*”), which shall be the fund for the payment of principal of and interest on all 2019A Bonds and the “*Series 2019B Bonds Debt Service Account*” (the “*2019B Bond Fund*” and together with the 2019A Bond Fund, the “*Bond Funds*”), which shall be the fund for the payment of principal of and interest on all 2019B Bonds. Accrued interest, if any, received upon delivery of the Series 2019A Bonds and principal proceeds of the Series 2019A Bonds in an amount not to exceed \$500,000 shall be deposited into the Series 2019A Bond Fund and be applied to pay first interest coming due on the Series 2019A Bonds. Accrued interest, if any, received upon delivery of the Series 2019B Bonds and principal proceeds of the Series 2019B Bonds in an amount not to exceed \$500,000 shall be deposited into the Series 2019B Bond Fund and be applied to pay first interest coming due on the Series 2019B Bonds.

B. The Ad Valorem Property Taxes for each respective Series of Bonds shall either be deposited into the respective Bond Fund and used solely and only for paying the principal of and

interest on the respective Series of Bonds or be used to reimburse a fund or account from which advances to the respective Bond Fund may have been made to pay principal of or interest on the Bonds prior to receipt of Ad Valorem Property Taxes. Interest income or investment profit earned in each Bond Fund shall be retained in said Bond Fund for payment of the principal of or interest on the respective Series of Bonds on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the Corporate Authorities, transferred to such other fund as may be determined. The City hereby pledges, as equal and ratable security for the respective Series of Bonds, all present and future proceeds of the Ad Valorem Property Taxes for the sole benefit of the registered owners of the respective Series of Bonds, subject to the reserved right of the Corporate Authorities to transfer certain interest income or investment profit earned in the Bond Funds to other funds of the City, as described in the preceding sentence.

C. The amount necessary from the proceeds of each Series of Bonds shall be used to pay costs of issuance of the respective Series of Bonds and shall be deposited into a separate fund, hereby created, designated the *"2019[Series Designation] Expense Fund."* Any disbursements from such funds shall be made from time to time as necessary. Any excess in said fund established for the 2019A Bonds shall be deposited into the Robert Crown Project Fund hereinafter created after six months from the date of issuance of the 2019A Bonds. Any excess in said fund established for the 2019B Bonds shall be deposited into the Capital Improvement Project Fund hereinabove created after six months from the date of issuance of the 2019B Bonds.

D. The remaining proceeds of the 2019A Bonds shall be set aside in a separate fund, hereby created, and designated as the *"Series 2019A Robert Crown Project Fund"* (the *"Robert Crown Project Fund"*), and be used to pay costs of the Robert Crown Project, including costs of issuance of the Bonds which for any reason are not paid from the 2019A Expense Fund.

E. The remaining proceeds of the 2019B Bonds shall be set aside in a separate fund, hereby created, and designated as the “*Series 2019B Capital Improvement Project Fund*” (the “*Capital Improvement Project Fund*”), and be used to pay costs of the Capital Improvement Project, including costs of issuance of the Bonds which for any reason are not paid from the 2019B Expense Fund.

F. Alternatively, the Treasurer of the City may allocate proceeds of the Bonds otherwise designated for the respective Bond Fund, the respective Expense Fund, the Robert Crown Project Fund or the Capital Improvement Project Fund to one or more related funds of the City already in existence; *provided, however*, that this shall not relieve the City officers of the duty to account for the proceeds as herein provided.

G. The Corporate Authorities reserve the right, as it becomes necessary from time to time, to revise the Robert Crown Project and/or the Capital Improvement Project, to change priorities, to revise cost allocations between projects and to substitute projects, in order to meet current needs of the City; *subject, however*, to the various covenants set forth in this Ordinance and in related certificates given in connection with delivery of the Bonds and also subject to the obtaining of the opinion of Bond Counsel or of some other attorney or firm of attorneys whose opinions are generally acceptable to the purchasers in the national marketplace of governmental Tax-exempt obligations (“*Other Bond Counsel*”) that such changes or substitutions are proper under the Act and do not adversely affect the Tax-exempt status of the Tax-exempt Bonds.

Section 16. Non-Arbitrage and Tax-Exemption. The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Tax-exempt Bonds) if taking, permitting, or omitting to take such action would cause any of the Tax-exempt Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code, or would otherwise cause the

interest on the Tax-exempt Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation for interest paid on the Tax-exempt Bonds, under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. In furtherance of the foregoing provisions, but without limiting their generality, the City agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants, and assurances contained in certificates or agreements as may be prepared by Bond Counsel; (c) to consult with such Bond Counsel and to comply with such advice as may be given; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

Section 17. Reimbursement. With respect to expenditures for the Robert Crown Project and the Capital Improvement Project paid within the 60-day period ending on this date and with respect to which no declaration of intent was previously made, the City hereby declares its intent to reimburse such expenditures and hereby allocates proceeds of the 2019A Bonds and/or the 2019B Bonds, as applicable, in the amount indicated in the Tax Exemption Certificate and Agreement to be delivered in connection with the issuance of the Bonds to reimburse said expenditures.

Section 18. Municipal Bond Insurance. In the event the payment of principal of and interest on a Series of the Bonds is insured pursuant to a municipal bond insurance policy (a “*Municipal Bond Insurance Policy*”) issued by a bond insurer (a “*Bond Insurer*”), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the City and the Bond Registrar agree to comply with

such usual and reasonable provisions regarding presentment and payment of such Bonds, subrogation of the rights of the Bondholders to the Bond Insurer when holding such Bonds, amendment hereof, or other terms, as approved by any of the City officers on advice of counsel, his or her approval to constitute full and complete acceptance by the City of such terms and provisions under authority of this Section.

Section 19. Rights and Duties of Bond Registrar. If requested by the Bond Registrar, any officer of the City is authorized to execute a mutually agreeable form of agreement between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar under this Ordinance. In addition to the terms of such agreement and subject to modification thereby, the Bond Registrar by acceptance of duties under this Ordinance agrees (a) to act as bond registrar, paying agent, authenticating agent, and transfer agent as provided herein; (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential to the extent permitted by law; (c) to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer; (d) to furnish the City at least annually a certificate with respect to Bonds cancelled and/or destroyed; and (e) to furnish the City at least annually an audit confirmation of Bonds paid, Bonds outstanding, and payments made with respect to interest on the Bonds. The City covenants with respect to the Bond Registrar, and the Bond Registrar further covenants and agrees as follows:

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

(B) 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. Any Bond Registrar shall be the agent of the City and shall not be liable in connection with the performance of its duties except for its own negligence or willful wrongdoing. Any Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on Bonds.

(C) The City may remove the Bond Registrar at any time. In case at any time the Bond Registrar shall resign, shall be removed, shall become incapable of acting, or shall be adjudicated a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Bond Registrar or of the property thereof shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or of the property or affairs thereof, the City covenants and agrees that it will thereupon appoint a successor Bond Registrar. The City shall give notice of any such appointment made by it to each registered owner of any Bond within twenty days after such appointment in any reasonable manner as the City shall select. Any Bond Registrar appointed under the provisions of this Section shall be a bank, trust company, or national banking association, and having capital and surplus and undivided profits in excess of \$50,000,000. The City Clerk of the City is hereby directed to file a certified copy of this Ordinance with the Bond Registrar.

Section 20. Defeasance. Any Bond or Bonds (a) which are paid and cancelled; (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon; or (c) (i) for which sufficient funds and Defeasance Obligations have been deposited with the Bond Registrar or similar institution to pay, taking into account investment earnings

on such obligations, all principal of and interest on such Bond or Bonds when due at maturity, pursuant to an irrevocable escrow or trust agreement, (ii) accompanied by an opinion of Bond Counsel or Other Bond Counsel as to compliance with the covenants with respect to such Bonds, and (iii) accompanied by an express declaration of defeasance by the Corporate Authorities; shall cease to have any lien on or right to receive or be paid from Bond Moneys or the Bond Fund hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the Tax-exempt status of Tax-exempt Bonds; and payment, registration, transfer, and exchange; are expressly continued for all affected Bonds whether outstanding Bonds or not. For purposes of this Section, “*Defeasance Obligations*” means (a) noncallable, non-redeemable, direct and general full faith and credit obligations of the United States Treasury (“*Directs*”), (b) certificates of participation or trust receipts in trusts comprised wholly of Directs or (c) other noncallable, non-redeemable, obligations unconditionally guaranteed as to timely payment to maturity by the United States Treasury.

Section 21. Record-Keeping Policy and Post-Issuance Compliance Matters. On the 8th day of October, 2012, the Corporate Authorities adopted a record-keeping policy (the “*Policy*”) in order to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the debt obligations of the City, the interest on which is excludable from “gross income” for federal income tax purposes or which enable the City or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds. The Corporate Authorities and the City hereby reaffirm the Policy.

Section 22. Publication of Ordinance. A full, true, and complete copy of this Ordinance shall be published within ten days after passage in pamphlet form by authority of the Corporate Authorities.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

ADOPTED: This 22nd day of April, 2019.

AYES: _____

NAYS: _____

ABSENT: _____

WITNESS AND APPROVED: April 22, 2019

Mayor, City of Evanston

Cook County, Illinois

Published in pamphlet form by authority of the Corporate Authorities on April __, 2019.

ATTEST:

City Clerk, City of Evanston

Cook County, Illinois

EXTRACT OF MINUTES of the regular public meeting of the City Council of the City of Evanston, Cook County, Illinois, held at the City Hall, located at 2100 Ridge Avenue, in said City, at 7:00 p.m., on Monday, the 22nd day of April, 2019.

The Mayor called the meeting to order and directed the City Clerk to call the roll.

Upon the roll being called, the Mayor, Stephen H. Hagerty, being physically present at such place and time, and the following Aldermen, being physically present at such place and time, answered present: _____

_____.

The following Aldermen were allowed by a majority of the Aldermen in accordance with and to the extent allowed by rules adopted by the City Council to attend the meeting by video or audio conference: _____.

No Alderman was denied permission to attend the meeting by video or audio conference.

The following Aldermen were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____.

* * * * *

There being a quorum present, various business of the City was conducted.

* * * * *

The City Council then discussed the proposed new Robert Crown Community Center, Ice Complex and Library Center and a proposed capital improvement program for the City and considered an ordinance providing for the issuance of one or more series of General Obligation Corporate Purpose Bonds, Series 2019A, of the City and one or more series of General Obligation Corporate Purpose Bonds, Series 2019B, of the City, authorizing the execution of one or more bond orders in connection therewith and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

Thereupon, Alderman _____ presented an ordinance entitled:

AN ORDINANCE providing for the issuance of one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019A, to finance the construction and equipment of a new Robert Crown Community Center, Ice Complex and Library Center and one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019B, for capital improvements, of the City of Evanston, Cook County, Illinois, authorizing the execution of one or more bond orders in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds, and authorizing and directing the sale of said bonds at public competitive sale.

(the "*Bond Ordinance*").

A discussion of the matter followed. During the discussion, Alderman _____ gave a public recital of the nature of the matter, which included a reading of the title of the Bond Ordinance and review of the section headings, and the following further information.

[Here insert further statements, if any]

Alderman _____ moved and Alderman _____ seconded the motion that the Bond Ordinance as presented be adopted.

The Mayor directed that the roll be called for a vote upon the motion to adopt the ordinance.

Upon the roll being called, the following Aldermen voted AYE: _____

_____.

and the following Aldermen voted NAY: _____

WHEREUPON, the Mayor declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the City Clerk to record the same in full in the records of the City of Evanston, Cook County, Illinois.

* * * * *

Other business was duly transacted at said meeting.

* * * * *

Upon motion duly made and carried, the meeting adjourned.

City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF AGENDA, ADOPTION MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Evanston, Cook County, Illinois (the “City”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the City and of the City Council (the “Corporate Authorities”) of the City.

I do further certify that the foregoing extract of minutes is a full, true, and complete transcript of that portion of the minutes of the meeting (the “Meeting”) of the Corporate Authorities held on the 22nd day of April, 2019 insofar as the same relates to the adoption of an ordinance, numbered 27-O-19, entitled:

AN ORDINANCE providing for the issuance of one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019A, to finance the construction and equipment of a new Robert Crown Community Center, Ice Complex and Library Center and one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019B, for capital improvements, of the City of Evanston, Cook County, Illinois, authorizing the execution of one or more bond orders in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds, and authorizing and directing the sale of said bonds at public competitive sale.

(the “Ordinance”) a true, correct, and complete copy of which Ordinance as adopted at the Meeting appears in the foregoing transcript of the minutes of the Meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of the Ordinance were taken openly; that the vote on the adoption of the Ordinance was taken openly; that the Meeting was held at a specified time and place convenient to the public; that notice of the Meeting was duly given to all newspapers, radio or television stations, and other news media requesting such notice; that an agenda (the "*Agenda*") for the Meeting was posted at the location where the Meeting was held and at the principal office of the Corporate Authorities (both such locations being at City Hall) at least 96 hours in advance of the Meeting and also not later than 5:00 p.m. on Thursday, April 18, 2019; that said Agenda contained a separate specific item relating to the consideration of the Ordinance and *that a true, correct, and complete copy of said Agenda as so posted is attached to this certificate*; that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended; and the Illinois Municipal Code, as amended; and that the Corporate Authorities have complied with all of the provisions of such Act and Code and with all of the procedural rules of the Corporate Authorities in the adoption of the Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City this 22nd day of April, 2019.

City Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Evanston, Cook County, Illinois (the “City”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the City and of the City Council (the “Corporate Authorities”) of the City.

I do further certify that on the ____ day of April, 2019, there was published in pamphlet form, by authority of the City Council, a true, correct, and complete copy of Ordinance Number 27-O-19 of the City entitled:

AN ORDINANCE providing for the issuance of one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019A, to finance the construction and equipment of a new Robert Crown Community Center, Ice Complex and Library Center and one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019B, for capital improvements, of the City of Evanston, Cook County, Illinois, authorizing the execution of one or more bond orders in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds, and authorizing and directing the sale of said bonds at public competitive sale.

and providing for the issuance of said bonds, and that the ordinance as so published was on that date readily available for public inspection and distribution, in sufficient number so as to meet the needs of the general public, at my office as City Clerk located in the City.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the City this ____
day of April, 2019.

City Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATE OF FILING

I do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois, and as such officer I do hereby certify that on the ____ day of _____, 2019 there was filed in my office a properly certified copy of Ordinance Number 27-O-19, duly adopted by the City Council of the City of Evanston, Cook County, Illinois, on the ____ day of _____, 2019 and entitled:

AN ORDINANCE providing for the issuance of one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019A, to finance the construction and equipment of a new Robert Crown Community Center, Ice Complex and Library Center and one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019B, for capital improvements, of the City of Evanston, Cook County, Illinois, authorizing the execution of one or more bond orders in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds, and authorizing and directing the sale of said bonds at public competitive sale.

and approved by the Mayor of said City, and that the same has been deposited in, and all as appears from, the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of The County of Cook, Illinois, this ____ day of _____, 2019.

County Clerk of The County of Cook,
Illinois

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

BOND ORDER

**IN CONNECTION WITH THE ISSUANCE OF
\$[2019A PAR AMOUNT] GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A
\$[2019B PAR AMOUNT] GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019B**

To: City Council
 City of Evanston, Cook County, Illinois
 County Clerk of The County of Cook, Illinois

GREETINGS:

We are pleased to advise you as follows:

A. *Sale.* Please be advised that the City Council (the “*Corporate Authorities*”) of the City of Evanston, Cook County Illinois (the “*City*”), has heretofore adopted on the 22nd day of April, 2019, a bond ordinance entitled:

AN ORDINANCE providing for the issuance of one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019A, to finance the construction and equipment of a new Robert Crown Community Center, Ice Complex and Library Center and one or more series of not to exceed \$18,000,000 General Obligation Corporate Purpose Bonds, Series 2019B, for capital improvements, of the City of Evanston, Cook County, Illinois, authorizing the execution of one or more bond orders in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds, and authorizing and directing the sale of said bonds at public competitive sale.

(the “2019 Bond Ordinance”), which authorizes the issuance of (i) one or more series of General Obligation Corporate Purpose Bonds, Series 2019A, of the City (the “2019A Bonds”) for the purpose of financing the construction and equipment of a new Robert Crown Community Center, Ice Complex and Library Center and paying costs related to the issuance of the 2019A Bonds; and (ii) one or more series of General Obligation Corporate Purpose Bonds, Series 2019B, of the City (the “2019B Bonds” and together with the 2019A Bonds, the “Bonds”) for the purpose of providing for various capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2019 in the City’s Capital Improvement Plan, as adopted and amended from time to time by the Corporate Authorities, and paying costs related to the issuance of the 2019B Bonds. Terms used but not defined herein shall have the same meanings as terms defined in the 2019 Bond Ordinance.

1. Responsive to authority contained in the 2019 Bond Ordinance, the undersigned Designated Officers, have sold the 2019A Bonds in the aggregate principal amount of \$[2019A Par Amount] to the purchaser thereof, namely, _____, _____, _____ (the “Series 2019A Purchaser”), pursuant to an Official Notice of Sale and an official Bid Form between the City and the Series 2019A Purchaser after a public competitive sale of the 2019A Bonds, held on the date hereof (the “2019A Bond Purchase Agreement”), at a price of \$_____ (representing par, [plus/minus] net original issue [premium/discount] in the amount of \$_____ and less a purchaser’s discount of \$_____). The 2019A Bonds are Tax-exempt Bonds.

2. Responsive to authority contained in the 2019 Bond Ordinance, the undersigned Designated Officers have sold the 2019B Bonds in the aggregate principal amount of \$[2019B Par Amount] to the purchaser thereof, namely, _____, _____, _____ (the “Series 2019B Purchaser” and together with the Series 2019A Purchaser, the “Purchasers”), pursuant to an Official Notice of Sale and an official Bid Form between the City and the Series 2019A Purchaser after a

public competitive sale of the 2019B Bonds, held on the date hereof (the "2019B Bond Purchase Agreement" and together with the 2019A Bond Purchase Agreement, the "Bond Purchase Agreements"), at a price of \$_____ (representing par, [plus/minus] net original issue [premium/discount] in the amount of \$_____ and less a purchaser's discount of \$_____).

3. The price to be paid to the City for each Series of the Bonds is not less than 99.0% of the par amount of the respective Series of the Bonds.

B. FINDINGS

The following further conditions have also been met:

1. 2019A BONDS. (a) We have received the required certificates and reports of the Financial Advisors supporting our statements herein. (b) The 2019A Bonds do not exceed the maximum authorized amount of \$_____. (c) No interest rate on the 2019A Bonds exceeds _____% per annum. (d) The final maturity date of the 2019A Bonds does not extend past December 1, 20____. (e) The *sum* of the principal of and interest on the 2019A Bonds due (or subject to mandatory redemption) in any given annual period from December 2 to the following December 1 (a "Bond Year") does not exceed \$_____. (f) The terms of the 2019A Bonds are fair and reasonable in light of current conditions in the market for tax-exempt obligations such as the 2019A Bonds.

2. 2019B BONDS. (a) We have received the required certificates and reports of the Financial Advisors supporting our statements herein. (b) The 2019B Bonds do not exceed the maximum authorized amount of \$_____. (c) No interest rate on the 2019B Bonds exceeds _____% per annum. (d) The final maturity date of the 2019B Bonds does not extend past December 1, 20____. (e) The *sum* of the principal of and interest on the 2019B Bonds due (or subject to

mandatory redemption) in any Bond Year does not exceed \$_____. (f) The terms of the 2019B Bonds are fair and reasonable in light of current conditions in the market for tax-exempt obligations such as the 2019B Bonds.

C. NO CONFLICTS

No person responsible for the sale of any Series of the Bonds (being the Mayor, City Clerk, City Manager, City Treasurer/Chief Financial Officer and Corporation Counsel) and holding any office of the City, either by election or appointment, is in any manner financially interested, either directly, in his or her own name, or indirectly, in the name of any other person, association, trust or corporation, in any of the Bond Purchase Agreements with any of the Purchasers for the sale of the Bonds.

D. TERMS OF THE BONDS

The 2019A Bonds shall be designated "General Obligation Corporate Purpose Bonds, Series 2019A." Pursuant to the terms of the 2019A Bond Purchase Agreement, the 2019A Bonds shall be issued in the amount of \$[2019A Par Amount]; shall be dated as of the date of delivery thereof; and shall have the further terms as is set forth in *Exhibit I* attached hereto and incorporated herein by reference. The 2019B Bonds shall be designated "General Obligation Corporate Purpose Bonds, Series 2019B." Pursuant to the terms of the 2019B Bond Purchase Agreement, the 2019B Bonds shall be issued in the amount of \$[2019B Par Amount]; shall be dated as of the date of delivery thereof; and shall have the further terms as is set forth in *Exhibit I* attached hereto and incorporated herein by reference.

The Bonds are being issued as Tax-Exempt Bonds.

E. TAXES

Section 11 of the 2019 Bond Ordinance provides for direct annual taxes sufficient to pay the principal of and interest on each Series of the Bonds promptly when and as the same falls due at

maturity or as subject to mandatory redemption. Please be further advised that the Bonds were sold on terms resulting in a final schedule of taxes levied and to be extended as set forth in *Exhibit II* attached hereto and incorporated herein by reference.

F. BOND INSURANCE

The Purchasers have not requested and no Bond Insurance has been procured as of the date hereof for the payment of principal of and interest on the Bonds.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

G. DEPOSITS INTO FUNDS

At the time of execution of this Bond Order, the proceeds of the Bonds are expected to be used substantially as follows:

2019A BONDS

	Derived as follows:	(\$)
(1)	Par Amount	[2019A Par Amount].00
(2)	Reoffering Premium (+)	_____
(3)	Purchaser's Discount (-)	(_____)
(4)	Purchase Price (=)	_____
(5)	Total Received by City (=)	_____

	Allocated or spent as follows:	(\$)
(a)	Costs of Issuance to be paid directly or to 2019A Expense Fund	_____
(b)	Deposit to Robert Crown Project Fund	_____
(c)	Contingency (for costs of issuance, or, if not needed, to 2019A Bond Fund)	_____
(d)	Deposit to 2019A Bond Fund for capitalized interest through _____, 20__	_____
(e)	Total (=)	_____

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

2019B BONDS

(1)	Par Amount	[2019B Par Amount].00
(2)	Reoffering Premium (+)	_____
(3)	Purchaser's Discount (-)	(_____)
(4)	Purchase Price (=)	_____
(5)	Total Received by City (=)	_____
	Allocated or spent as follows:	(\$)
(a)	Costs of Issuance to be paid directly or to 2019B Expense Fund	_____
(b)	Deposit to Capital Improvement Project Fund	_____
(c)	Contingency (for costs of issuance, or, if not needed, to 2019B Bond Fund)	_____
(d)	Deposit to 2019B Bond Fund for capitalized interest through _____, 20__	_____
(e)	Total (=)	_____

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

H. BOND REGISTRAR

The Bond Registrar and Paying Agent for the Bonds is _____.

I. RECORDS

Finally, please be advised that this Bond Order shall be entered into the records of the City and made available to all members of the Corporate Authorities at a public meeting thereof held after the date hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Respectfully submitted as of this _____ day of May, 2019.*

Mayor

City Clerk

City Treasurer/Chief Financial Officer

City Manager

ACKNOWLEDGMENT OF FILING

Filed in the office of the City Clerk of the City of Evanston, Cook County, Illinois, this ____ day of _____, 2019.

* To be executed by not less than two of the four officers, one of whom must be elected.

City Clerk
City of Evanston
Cook County, Illinois

EXHIBITS:

EXHIBIT

DESCRIBES

I

Terms of the Bonds

II

Taxes to be levied for the Bonds

EXHIBIT I

TERMS OF THE BONDS

THE 2019A BONDS

The 2019A Bonds are due serially on December 1 of the years and in the amounts and bear interest at the rates percent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)
------	-------------	----------

Each of the 2019A Bonds bears interest from the later of the dated date as stated above or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such 2019A Bond, respectively, is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on _____ 1, 20__.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

2019A BOND REDEMPTION

Mandatory Redemption. [The 2019A Bonds are not subject to mandatory redemption.][The 2019A Bonds due on December 1, 20__, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

YEAR

PRINCIPAL AMOUNT

Optional Redemption. [The 2019A Bonds are not subject to optional redemption.][The 2019A Bonds maturing on or after December 1, 20__, are subject to redemption at the option of the City, in whole or in part, in any order of maturity and if in part, in principal amounts that are integral multiples of \$5,000 and as applicable to any mandatory redemption requirement as the City may determine, on any date on or after December 1, 20__, at a price equal to par plus accrued interest to the date fixed for redemption.]

THE 2019B BONDS

The 2019B Bonds are due serially on December 1 of the years and in the amounts and bear interest at the rates percent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)
------	-------------	----------

Each of the 2019B Bonds bears interest from the later of the dated date as stated above or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such 2019B Bond, respectively, is paid or duly provided for, such interest (computed

upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on _____ 1, 20__.

2019B BOND REDEMPTION

Mandatory Redemption. [The 2019B Bonds are not subject to mandatory redemption.][The 2019B Bonds due on December 1, 20__, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
------	------------------

Optional Redemption. [The 2019B Bonds are not subject to optional redemption.][The 2019B Bonds maturing on or after December 1, 20__, are subject to redemption at the option of the City, in whole or in part, in any order of maturity and if in part, in principal amounts that are integral multiples of \$5,000 and as applicable to any mandatory redemption requirement as the City may determine, on any date on or after December 1, 20__, at a price equal to par plus accrued interest to the date fixed for redemption.]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT II

TAX LEVY FOR BONDS

THE 2019A BONDS

YEAR	A TAX SUFFICIENT TO PRODUCE THE DOLLAR (\$) AMOUNT
2019	\$ for interest and principal up to and including December 1, 2020

THE 2019B BONDS

YEAR	A TAX SUFFICIENT TO PRODUCE THE DOLLAR (\$) AMOUNT
2019	\$ for interest and principal up to and including December 1, 2020

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

**NOTIFICATION OF BOND TERMS AND
DIRECTION FOR COLLECTION OF TAXES
\$[2019A PAR AMOUNT] GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A
\$[2019B PAR AMOUNT] GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019B**

TO: THE COUNTY CLERK OF THE COUNTY OF COOK, ILLINOIS: GREETINGS.

Please take note of the advice and terms on the attached Bond Order (the “*Bond Order*”), dated as of the _____ day of May, 2019, for the aggregate principal amount of \$[2019A Par Amount] General Obligation Corporate Purpose Bonds, Series 2019A, and \$[2019B Par Amount] General Obligation Corporate Purpose Bonds, Series 2019B, of the City of Evanston, Cook County, Illinois (the “*City*”), which Bond Order has been executed by at least two of the Mayor, City Clerk, City Treasurer/Chief Financial Officer and City Manager (at least one of whom is an elected official) of the City. Terms used herein are by reference to the Bond Order.

YOU ARE ACCORDINGLY ORDERED AND DIRECTED to collect taxes, levied in the bond ordinance authorizing the issuance of the Bonds, as enumerated in the Bond Order.

IN WITNESS WHEREOF we hereunto affix our official signatures as of this _____ day of May, 2019.

Mayor

City of Evanston
Cook County, Illinois

City Clerk

City of Evanston
Cook County, Illinois

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

FILING CERTIFICATE
[\$[2019A PAR AMOUNT] GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A
[\$[2019B PAR AMOUNT] GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019B

I, the undersigned, do hereby certify that I am the duly elected, qualified and acting County Clerk of The County of Cook, Illinois (the “*County*”), and as such officer I do further certify that on the ____ day of June, 2019, there was filed in my office as County Clerk a BOND ORDER IN CONNECTION WITH THE ISSUANCE OF \$[2019A Par Amount] GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A, AND \$[2019B Par Amount] GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019B, of the City of Evanston, Cook County, Illinois (the “*City*”), which Bond Order has been executed by by at least two of the Mayor, City Clerk, City Treasurer/Chief Financial Officer and City Manager (at least one of whom is an elected official) of the City, has been dated as of the ____ day of May, 2019, and is accompanied by a NOTIFICATION OF BOND TERMS AND DIRECTION FOR COLLECTION OF TAXES, signed by the Mayor and City Clerk of said City, each as attached hereto, and that said Bond Order and said Notification of Bond Terms and Direction for Collection of Taxes have each been placed on file in and do appear in the records of my office; and that, further, said taxes levied for the payment of said City’s General Obligation Corporate Purpose Bonds, Series 2019A, and General Obligation Corporate Purpose Bonds, Series 2019B, will be extended for collection as provided in said Bond Order.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of The County of Cook,
Illinois, this ____ day of June, 2019.

County Clerk of
The County of Cook, Illinois

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

AVAILABILITY OF BOND ORDER
§[2019A PAR AMOUNT] GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A
§[2019B PAR AMOUNT] GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019B

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Evanston, Cook County, Illinois (the “City”), and as such official I am the keeper of the official books, records, minutes and files of the City and of the City Council thereof (the “Corporate Authorities”).

I do further certify that I will make available to all members of the Corporate Authorities at the next regular meeting of the Corporate Authorities, a Bond Order for §[2019A Par Amount] General Obligation Corporate Purpose Bonds, Series 2019A, and §[2019B Par Amount] General Obligation Corporate Purpose Bonds, Series 2019B, a true, correct and complete copy of which is attached hereto.

IN WITNESS WHEREOF I hereunto affix my official signature, this _____ day of May, 2019.

City Clerk
City of Evanston,
Cook County, Illinois

**CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by the City of Evanston, Cook County, Illinois (the “*City*”), in connection with the issuance of \$_____ General Obligation Corporate Purpose Bonds, Series 2019A, and \$_____ General Obligation Corporate Purpose Bonds, Series 2019B (together, the “*Bonds*”). The Bonds are being issued pursuant to an ordinance adopted by the City Council of the City on the 22nd day of April, 2019 (as supplemented by the Bond Order authorized therein and executed in connection with the sale of the Bonds, the “*Ordinance*”).

In consideration of the issuance of the Bonds by the City and the purchase of such Bonds by the beneficial owners thereof, the City covenants and agrees as follows:

1. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information is defined in the Official Statement.

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the City prepared pursuant to the principles and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Financial Obligation means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated _____, 2019, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the City pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. The City will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the City hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the City hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. CONSEQUENCES OF FAILURE OF THE CITY TO PROVIDE INFORMATION. The City shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Ordinance, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the City by ordinance or resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the City, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements 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) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the City shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the City shall be terminated hereunder if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The City shall give notice to EMMA in a timely manner if this Section is applicable.

9. DISSEMINATION AGENT. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the City chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The City shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The City shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the City under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By _____
Mayor

Date: _____, 2019

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the City's fiscal year (currently December 31), beginning with the fiscal year ending December 31, 2018. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the City.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

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 status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, 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. (a) Incurrence of a Financial Obligation of the City, if material, or (b) an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.
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.

* This 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 of 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.

**EXHIBIT III
CUSIP NUMBERS**

SERIES 2019A

YEAR OF MATURITY	CUSIP NUMBER (299228)
---------------------	-----------------------------

SERIES 2019B

YEAR OF MATURITY	CUSIP NUMBER (299228)
---------------------	-----------------------------

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2019

Sale Date and Time:
May 16, 2019
[10:15 A.M.] Central Time

Ratings: Moody's: “_”
Fitch: “_”
(See “BOND RATINGS” herein)

NEW ISSUES
BOOK ENTRY ONLY

Subject to compliance by the City and certain 501(c)(3) organizations with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (“Bond Counsel”), under present law, interest on the Series A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals. Subject to compliance by the City with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Series B Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX EXEMPTION” herein for a more complete discussion.



CITY OF EVANSTON
COOK COUNTY, ILLINOIS

\$13,285,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A

\$13,280,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019B

Dated: Date of Delivery

Due: December 1, as shown on inside cover

The \$13,285,000* General Obligation Corporate Purpose Bonds, Series 2019A (the “Series A Bonds”) and the \$13,280,000* General Obligation Corporate Purpose Bonds, Series 2019B (the “Series B Bonds” and together with the Series A Bonds, the “Bonds”) of the City of Evanston, Cook County, Illinois (the “City”), will bear interest from their dated date at the rates per annum as shown on the inside cover pages. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30 day months) will be payable semi-annually on each June 1 and December 1, commencing December 1, 2019. The Bonds will be issued in integral multiples of \$5,000. The Bonds are subject to redemption prior to their maturity as more fully described in this Official Statement. See “THE BONDS – Optional Redemption” and “– Mandatory Sinking Fund Redemption” herein.

The Bonds will be issued in book-entry form, as registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”). Payments of principal and interest on the Bonds will be made by Zions Bancorporation, National Association, Chicago, Illinois, as paying agent and bond registrar (the “Bond Registrar”) to Cede & Co., which will, in turn, remit such payments to the DTC participants for subsequent disbursements to the Beneficial Owners (as defined in this Official Statement) of the Bonds. Purchases of the Bonds will be made in book-entry-only form and individual purchasers will not receive physical delivery of bond certificates.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization, and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Financial Advisors: PFM Financial Advisors LLC and Independent Public Advisors, LLC.

Not Bank Qualified: The Bonds are not “qualified tax-exempt obligations.”

Delivery: Delivery of the Bonds is expected on June 10, 2019.

The date of this Official Statement is May __, 2019.

(THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.)

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Within seven (7) business days following the sale of the Bonds herein described, the City will make available its final Official Statement, dated as of the date of such sale, with respect to the Bonds.

Maturity and Pricing Schedule, and CUSIP Numbers

City of Evanston, Cook County, Illinois

\$13,285,000* General Obligation Corporate Purpose Bonds, Series 2019A

Year (Dec. 1)	Amount*	Rate*	Yield*	CUSIP**	Year (Dec. 1)	Amount*	Rate*	Yield*	CUSIP**
2022	\$345,000	%	%		2033	\$590,000	%	%	
2023	365,000	%	%		2034	620,000	%	%	
2024	380,000	%	%		2035	650,000	%	%	
2025	400,000	%	%		2036	685,000	%	%	
2026	420,000	%	%		2037	715,000	%	%	
2027	440,000	%	%		2038	755,000	%	%	
2028	465,000	%	%		2039	790,000	%	%	
2029	485,000	%	%		2040	830,000	%	%	
2030	510,000	%	%		2041	870,000	%	%	
2031	535,000	%	%		2042	915,000	%	%	
2032	560,000	%	%		2043	960,000	%	%	

\$13,280,000* General Obligation Corporate Purpose Bonds, Series 2019B

Year (Dec. 1)	Amount*	Rate*	Yield*	CUSIP**	Year (Dec. 1)	Amount*	Rate*	Yield*	CUSIP**
2020	\$400,000	%	%		2030	\$ 655,000	%	%	
2021	420,000	%	%		2031	685,000	%	%	
2022	445,000	%	%		2032	720,000	%	%	
2023	465,000	%	%		2033	755,000	%	%	
2024	490,000	%	%		2034	795,000	%	%	
2025	515,000	%	%		2035	835,000	%	%	
2026	540,000	%	%		2036	875,000	%	%	
2027	565,000	%	%		2037	920,000	%	%	
2028	595,000	%	%		2038	965,000	%	%	
2029	625,000	%	%		2039	1,015,000	%	%	

*Final amounts, interest rates, and reoffering yields will be set forth in the final Official Statement described herein.

**CUSIP data herein is provided by the CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Companies Financial. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers may also be subject to change after the issuance of the Bonds.

This Official Statement (the “Official Statement”) should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports, or other documents are referred to herein, reference should be made to such statutes, reports, or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

No dealer, broker, salesman, or other person has been authorized by the City or the Underwriters (as hereinafter defined) to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either the foregoing or by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information set forth herein has been obtained from the City and by DTC and other sources that are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date as of which information is given in this Official Statement.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the City’s beliefs as well as assumptions made by and information currently available to the City. Such statements are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or expected.

This Preliminary Official Statement is in a form deemed final by the City for the purposes of paragraph (b)(1) of Rule 15c2-12 (the “Rule”) under the Securities Exchange Act of 1934, as amended (except for certain information permitted to be omitted under paragraph (b)(1) of the Rule).

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE BOND ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE MADE RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE BONDS. SPECIFICALLY, THE UNDERWRITERS MAY OVERALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR, AND PURCHASE, THE BONDS IN THE OPEN MARKET. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER THE BONDS ARE RELEASED FOR SALE, AND THE BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE BONDS INTO INVESTMENT ACCOUNTS. PRICES OF THE BONDS AS TRADED IN THE SECONDARY MARKET ARE SUBJECT TO ADJUSTMENT UPWARD AND DOWNWARD IN RESPONSE TO CHANGES IN THE CREDIT MARKETS AND OTHER PREVAILING CIRCUMSTANCES. NO GUARANTEE EXISTS AS TO THE FUTURE MARKET VALUE OF THE BONDS. SUCH MARKET VALUE COULD BE SUBSTANTIALLY DIFFERENT FROM THE ORIGINAL PURCHASE PRICE.

THE BONDS HAVE RISK CHARACTERISTICS WHICH REQUIRE CAREFUL ANALYSIS AND CONSIDERATION BEFORE A DECISION TO PURCHASE IS MADE. THE BONDS SHOULD BE PURCHASED BY INVESTORS WHO HAVE ADEQUATE EXPERIENCE TO EVALUATE THE MERITS AND RISKS OF THE BONDS. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFICIAL STATEMENT OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE UNDERWRITERS, THEIR AFFILIATES, OFFICERS, AND EMPLOYEES OR ANY PROFESSIONAL ASSOCIATED WITH THIS OFFERING AS INVESTMENT OR LEGAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN COUNSEL, ACCOUNTANT, AND OTHER ADVISORS AS TO FINANCIAL, LEGAL, AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN.

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in the Rule, the City will enter into a Continuing Disclosure Undertaking. For a description of the Continuing Disclosure Undertaking, see “CONTINUING DISCLOSURE” and “THE UNDERTAKING” herein and APPENDIX C.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified to their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement they will be furnished on request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

CITY OF EVANSTON
2100 Ridge Avenue
Evanston, Illinois 60201
(847) 328-2100

MAYOR
Stephen H. Hagerty

CITY COUNCIL

1 st Ward	Judy Fiske
2 nd Ward	Peter Braithwaite
3 rd Ward	Melissa A. Wynne
4 th Ward	Donald N. Wilson
5 th Ward	Robin Rue Simmons
6 th Ward	Thomas M. Suffredin
7 th Ward	Eleanor Revelle
8 th Ward	Ann Rainey
9 th Ward	Cicely L. Fleming

CITY CLERK
Devon Reid

CITY ADMINISTRATION

City Manager	Wally Bobkiewicz
Chief Financial Officer/Treasurer	Hitesh Desai
Assistant City Manager	Erika Storlie
Corporation Counsel	Michelle L. Masoncup

PROFESSIONAL SERVICES

Bond Counsel

Chapman and Cutler LLP
Chicago, Illinois

Financial Advisors

PFM Financial Advisors LLC
Independent Public Advisors, LLC

Disclosure Counsel

Ice Miller LLP
Chicago, Illinois

Auditor

Sikich LLP
Naperville, Illinois

Bond Registrar and Paying Agent

Zions Bancorporation, National Association
Chicago, Illinois

TABLE OF CONTENTS

INTRODUCTION.....	1
PURPOSE OF THE BONDS	1
SOURCES AND USES OF FUNDS	1
SECURITY FOR THE BONDS	2
THE BONDS	2
General	2
Optional Redemption	2
[Mandatory Sinking Fund Redemption].....	3
Redemption Procedures.....	3
Defeasance.....	4
Book-Entry-Only System	4
CERTAIN RISK FACTORS	6
Local Economy.....	6
Finances of the State of Illinois.....	6
Cybersecurity.....	6
Loss or Change of Bond Rating	7
Secondary Market for the Bonds.....	7
Continuing Disclosure	7
Suitability of Investment	7
Future Changes in Laws	7
Factors Relating to Tax-Exemption	7
Bankruptcy	8
THE PROJECTS	8
THE CITY	9
General	9
Northwestern University	9
Government.....	9
Administration.....	9
Development Activity and City Layout	10
Labor Relations	10
Economic and Demographic Data.....	10
Education and Employment	11
Population.....	12
Building Permits.....	12
Transportation	12
Employment	13
Industry.....	13
Unemployment	13
FINANCES	13
Budget Process, Accounting, and Financial Control Procedures	13

Financial Statements and Independent Audits	14
Cash Management	14
Revenues	14
Sales Taxes	15
Personal Property Replacement Taxes	15
Utility Taxes	15
Overview of Budget for Fiscal Years 2017, 2018, and 2019	16
Summary of Financial Information	16
Insurance Coverage	17
GENERAL OBLIGATION BONDED INDEBTEDNESS	18
Outstanding General Obligation Debt	18
Overlapping General Obligation Bonded Debt	21
Debt Ratios	21
General Obligation Debt Trends	22
[Future Financings]	22
REAL PROPERTY TAXATION	22
Tax Increment Financing	23
Special Service Areas	23
City Property Taxes	24
Real Property Assessment, Tax Levy, and Collection Procedures	25
PENSION AND RETIREMENT OBLIGATIONS	29
Illinois Municipal Retirement Fund	29
Police and Firefighters' Pension Plans	31
OTHER POSTEMPLOYMENT BENEFITS	35
TAX EXEMPTION	36
CONTINUING DISCLOSURE	37
THE UNDERTAKING	38
Annual Financial Information Disclosure	38
Reportable Events Disclosure	38
Consequences of Failure of the City to Provide Information	39
Amendment; Waiver	39
Termination of Undertaking	40
Additional Information	40
Dissemination of Information; Dissemination Agent	40
BOND RATINGS	40
UNDERWRITING	40
[LITIGATION]	40
FINANCIAL ADVISORS	41
LEGAL MATTERS	41

CLOSING CERTIFICATE41

- APPENDIX A – City of Evanston Annual Financial Report for Fiscal Year Ended December 31, 2017
- APPENDIX B – Proposed Forms of Bond Counsel Opinions
- APPENDIX C – Form of Continuing Disclosure Undertaking
- APPENDIX D – Official Notices of Sale and Bid Forms

OFFICIAL STATEMENT

Relating to

CITY OF EVANSTON COOK COUNTY, ILLINOIS

\$13,285,000* General Obligation Corporate Purpose Bonds, Series 2019A

\$13,280,000* General Obligation Corporate Purpose Bonds, Series 2019B

INTRODUCTION

This Official Statement sets forth information concerning the offer and sale by the City of Evanston, Cook County, Illinois (the “City”), of its \$13,285,000* General Obligation Corporate Purpose Bonds, Series 2019A (the “Series A Bonds”) and \$13,280,000* General Obligation Corporate Purpose Bonds, Series 2019B (the “Series B Bonds” and together with the Series A Bonds, the “Bonds”). The Bonds are authorized pursuant to and in accordance with the home-rule powers of the City under Section 6, Article VII of the 1970 Constitution of the State of Illinois (the “Illinois Constitution”), and a bond ordinance adopted by the City Council of the City (the “City Council”) on April 22, 2019 (as supplemented by the bond order authorized therein and executed in connection with the sale of the Bonds, the “Bond Ordinance”).

The Bonds are general obligations of the City to which the City pledges its full faith and credit and are payable from available funds of the City and the Ad Valorem Property Taxes (as defined herein). See “SECURITY FOR THE BONDS” herein.

The City, with a population of 75,557 as of the U.S. Census Bureau's 2013-2017 American Community Survey (“ACS”) 5-year estimate, is located along Lake Michigan immediately north of Chicago, Illinois. The City includes residential neighborhoods and parks and a major revitalized central business area of shops, restaurants, theaters, offices and corporate headquarters, neighborhood shopping areas, hospitals, and universities. The City is the home of Northwestern University, with about 16,000 students and 5,200 employees at its Evanston campus. The City’s per capita and median family incomes are substantially higher than Cook County (the “County”) and State of Illinois (the “State”) levels. See “THE CITY – Economic and Demographic Data” herein.

PURPOSE OF THE BONDS

The Series A Bonds are being issued for the purpose of (i) paying a portion of the costs of constructing and equipping a new Robert Crown Community Center, Ice Complex, and Library Center (the “Robert Crown Project”); (ii) paying capitalized interest on the Series A Bonds through December 1, 2019; and (iii) paying costs related to the issuance of the Series A Bonds.

The Series B Bonds are being issued for the purpose of (i) providing for capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2019 in the City’s Capital Improvement Plan, as adopted by the City Council (the “Capital Improvement Project”); (ii) paying capitalized interest on the Series B Bonds through December 1, 2019; and (iii) paying costs related to the issuance of the Series B Bonds.

SOURCES AND USES OF FUNDS

<u>Estimated Sources:</u>	<u>Series A Bonds</u>	<u>Series B Bonds</u>
Par Amount of Bonds	\$	\$
[Net] Original Issue [Premium/Discount]		
Total Sources of Funds	<u>\$</u>	<u>\$</u>
 <u>Estimated Uses:</u>		
Deposit to Project Fund	\$	\$
Costs of Issuance ⁽¹⁾		
Deposit to Capitalized Interest Fund		
Total Uses of Funds	<u>\$</u>	<u>\$</u>

⁽¹⁾Includes Underwriters’ discount, Bond Registrar and Paying Agent fees, legal fees, rating fee, printing, and other miscellaneous costs of issuance.

*Preliminary, subject to change.

SECURITY FOR THE BONDS

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (“Chapman and Cutler LLP” or “Bond Counsel”), are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount (the “Ad Valorem Property Taxes”), except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization, and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bond Ordinance provides for the levy of the Ad Valorem Property Taxes in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds, excluding capitalized interest through December 1, 2019. The Bond Ordinance will be filed with the County Clerk of the County (the “County Clerk”) and will serve as authorization to the County Clerk to extend and collect the property taxes to pay the Bonds, as set forth in the Bond Ordinance.

Pursuant to the Bond Ordinance, the City may, before the deadline for the filing of an abatement of the Ad Valorem Property Taxes levied by the City for any year, by proper proceedings abate all or a portion of the Ad Valorem Property Taxes levied by the Bond Ordinance for that year to the extent that it finds that sufficient funds of the City have been deposited into the respective funds for the payment of principal of and interest on the Bonds during the period otherwise provided for from that levy.

It has been the City’s practice to use a variety of revenue sources for repayment of its general obligation bonds in addition to its Ad Valorem Property Taxes. These alternative sources include sales taxes, water and sewer service charges, special assessments, parking revenues, Tax Increment Financing (“TIF”), and/or taxes levied for special service areas in the City to make payments on its general obligation indebtedness. Although these revenue sources are not pledged to the payment of, and do not secure, the Bonds, the City expects to use certain of these sources to pay debt service on the Bonds, permitting the abatement each year of a portion of the Ad Valorem Property Taxes levied in the Bond Ordinance.

THE BONDS

General

The Bonds will be issued as fully registered bonds and will be dated the date of delivery (the “Dated Date”). The Bonds mature on the dates and in the amounts, and bear interest from the Dated Date until paid at the rates as set forth on the inside cover pages of this Official Statement. The Bonds will be in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable on June 1 and December 1 of each year. The first interest payment date is December 1, 2019.

The principal and redemption price of the Bonds are payable in lawful money of the United States of America upon presentation at the office maintained for that purpose by Zions Bancorporation, National Association, Chicago, Illinois, as paying agent and bond registrar (the “Bond Registrar”). Payment of interest shall be made to the registered owner of the Bonds as shown on the registration books of the City maintained by the Bond Registrar at the close of business on the applicable Record Date. The Record Date shall be the 15th day of the month preceding any regular or other interest payment date occurring on the first day of any month and, otherwise, 15 days preceding any interest payment date occasion by the redemption of Bonds on other than the first day of a month. Interest shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of the registered owner as it appears on such registration books (the “Register”), or at such other address furnished in writing by the registered owner to the Bond Registrar, or as otherwise agreed by the City and the Bond Registrar for so long as these Bonds are held by a qualified securities clearing corporation as depository, or nominee, in book-entry form.

The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC or a successor depository will act as securities depository of the Bonds. Individual purchases may be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. See “Book-Entry-Only System” herein.

Optional Redemption

The Series A Bonds maturing on or after December 1, 2030, are subject to redemption at the option of the City, in whole or in part, in any order of maturity and if in part, in principal amounts that are integral multiples of \$5,000 and as applicable to any mandatory redemption requirement as the City may determine, on any date on or after December 1, 2029, at a price equal to par plus accrued interest to the date fixed for redemption.

The Series B Bonds maturing on or after December 1, 2030, are subject to redemption at the option of the City, in whole or in part, in any order of maturity and if in part, in principal amounts that are integral multiples of \$5,000 and as applicable to any mandatory redemption requirement as the City may determine, on any date on or after December 1, 2029, at a price equal to par plus accrued interest to the date fixed for redemption.

[Mandatory Sinking Fund Redemption]

The Series A Bonds due on December 1, 20__ (the “Series A Term Bonds”), are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Series A Term Bond Due December 1, 20__</u>	
<u>Sinking Fund</u>	<u>Principal Amount</u>
<u>Redemption Date</u>	<u>to be Redeemed</u>
December 1, 20__	\$
December 1, 20__ *	

*Stated maturity.

The Series B Bonds due on December 1, 20__ (the “Series B Term Bonds” and together with the Series A Term Bonds, the “Term Bonds”), are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Series B Term Bond Due December 1, 20__</u>	
<u>Sinking Fund</u>	<u>Principal Amount</u>
<u>Redemption Date</u>	<u>to be Redeemed</u>
December 1, 20__	\$
December 1, 20__ *	

*Stated maturity.

The principal amounts of the Term Bonds to be mandatorily redeemed may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Term Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the City may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the City shall, purchase Term Bonds required to be retired on such mandatory redemption date. Any such Term Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

Redemption Procedures

The City will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of the Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single series and maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such series and maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book entry depository); *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Bond Registrar on behalf of the City at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the City are received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption will be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the City will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that

such Bonds will not be redeemed. Otherwise, prior to any redemption date, the City will deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all of such Bonds or portions of such Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

All official notices of redemption shall include at least the information as follows: (a) the redemption date; (b) the redemption price; (c) if less than all of the outstanding Bonds of a particular series and maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such series and maturity, the respective principal amounts) of the Bonds to be redeemed; (d) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office maintained for such purpose by the Bond Registrar.

Defeasance

Any Bond or Bonds (a) which are paid and cancelled; (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon; or (c) (i) for which sufficient funds and Defeasance Obligations (as hereinafter defined) have been deposited with the Bond Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity, pursuant to an irrevocable escrow or trust agreement, (ii) accompanied by an opinion of Bond Counsel or other bond counsel as to compliance with the covenants with respect to such Bonds, and (iii) accompanied by an express declaration of defeasance by the City Council; shall cease to have any lien on or right to receive or be paid from Bond Moneys or the Bond Fund (each as defined in the Bond Ordinance) and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set in the Bond Ordinance herein as such relates to lien and security of the outstanding Bonds. "Defeasance Obligations" means (a) noncallable, non-redeemable, direct and general full faith and credit obligations of the United States Treasury ("Directs"), (b) certificates of participation or trust receipts in trusts comprised wholly of Directs, or (c) other noncallable, non-redeemable, obligations unconditionally guaranteed as to timely payment to maturity by the United States Treasury.

Book-Entry-Only System

The information contained in the following paragraphs of this subsection "Book-Entry-Only System" has been extracted from a schedule prepared by DTC entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE." The City makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each annual maturity of each series of the Bonds, each in the aggregate principal amount of such annual maturity, and such certificates will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934 (the "Exchange Act"). DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants

are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or paying agent ("Agent"), on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

NEITHER THE CITY, NOR THE UNDERWRITERS (AS DEFINED HEREIN) WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO CERTIFICATEHOLDERS; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS CERTIFICATEHOLDER; OR (5) THE SELECTION BY DTC, ANY DTC

PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS.

CERTAIN RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Local Economy

The financial health of the City is in part dependent on the strength of the regional and State economy. Many factors affect the economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population, or commercial and industrial activity will occur and what impact such changes would have on the finances of the City.

Finances of the State of Illinois

The State has experienced adverse fiscal conditions resulting in significant shortfalls between general fund revenues and spending demands. In addition, the underfunding of the State's pension systems has contributed to its poor financial health. The State operated without a fully enacted budget for its fiscal years ended June 30 (each, a "State FY") 2016 and 2017. On July 6, 2017, the State enacted its budget for State FY 2018, thus resolving much of the budget impasse, while not resolving significant unfunded pension liabilities or the large unpaid bill backlog. On June 4, 2018, the State enacted its budget for the State FY 2019, again without addressing unfunded pension liabilities or the unpaid bill backlog. Therefore, the unfunded pension liabilities and the unpaid bill backlog will continue to pose significant challenges to the State's finances. Illinois legislators have indicated they intend to address these matters, and issued bonds in State FY 2018 to cover a portion of the bill backlog, but it is not clear when, or if, they will resolve the remainder of the bill backlog or the pension liability.

As part of the State's budget process, legislation was passed which made changes in the Local Government Distributive Fund ("LGDF"). LGDF payments to counties and municipalities, like the City, were reduced by 10% in State FY 2018, and by 5% in State FY 2019. Additionally, the Illinois Department of Revenue (the "Department of Revenue") retained an administrative fee of 2% of locally imposed sales taxes collected on behalf of municipalities in State FY 2018, and is retaining an administrative fee of 1.5% of such sales tax collections in State FY 2019. The City adjusted its budget for income tax and sales tax revenues for its fiscal year ending December 31, 2019 to account for all factors including the above. For the City's fiscal year ending December 31, 2018, the City expects income tax and sales tax revenues to meet or exceed budgeted numbers.

During the impasse, certain appropriations were enacted, including the approval of spending for elementary and secondary education, and certain other spending occurred through statutory transfers, statutory continuing appropriations, court orders, and consent decrees. The City cannot predict whether the State will continue to fund local revenue sharing at current levels, nor can the City predict the lingering effect of the State's budget impasse on the City's finances.

The State currently shares a portion of sales tax, income tax, and motor fuel tax revenue with municipalities, including the City. The State's general fiscal condition, the underfunding of the State's pension systems, and the State's budget impasse have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the City.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the City. Despite the implementation of network security measures by the City, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware, or computer virus, or may otherwise be breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise networks, and the information stored thereon could be disrupted, accessed, publicly disclosed, lost, or stolen. Although the City does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure, or other loss of information could have an adverse effect on the City's operations and financial health. Further, as cybersecurity threats continue to evolve, the City may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate, and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Loss or Change of Bond Rating

The Bonds have received credit ratings from Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings ("Fitch"). The ratings can be changed or withdrawn at any time for reasons both under and outside the City's control. Any change, withdrawal, or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the City to comply with the Undertaking (as defined herein) for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Commission under the Exchange Act and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various State and federal laws, regulations, and constitutional provisions apply to the City and to the Bonds. The City can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions, and regulations which would have a material effect, either directly or indirectly, on the City, or the taxing authority of the City. Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the City, the taxable value of property within the City, and the ability of the City to levy property taxes or collect revenues for its ongoing operations. For example, Illinois legislators have introduced proposals to modify the Property Tax Extension Limitation Law, as supplemented and amended (the "Limitation Law"), including freezing property taxes (the "Property Tax Freeze Proposal"). If the Property Tax Freeze Proposal or similar legislation were to become law, such reform may freeze the City's local property tax revenue. The City cannot predict whether, or in what form, any such change may be enacted into law, nor can the City predict the effect of any such change on the City's finances.

Factors Relating to Tax-Exemption

As discussed under "TAX EXEMPTION" herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Bond Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States ("Congress") legislative proposals relating to the federal tax exemption of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the City's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the City.

The tax-exempt bond office of the Internal Revenue Service (the "Service") is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-

exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax exempt obligations of the City could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases, and to limitations on legal remedies against local governments. At present, there is no law in the State that authorizes any unit of government in Illinois to petition to reorganize under Chapter 9 of the U.S. Bankruptcy Code (except for the Illinois Power Agency). The various opinions of counsel to be delivered with respect to the Bonds and the Bond Ordinance will be similarly qualified.

THE PROJECTS

The Series A Bonds are being issued for the purpose of (i) paying a portion of the cost to construct and equip a new Robert Crown Community Center, Ice Complex, and Library Center, including but not limited to the demolition of the existing Robert Crown Community Center; (ii) paying capitalized interest on the Series A Bonds through December 1, 2019; and (iii) paying costs related to the issuance of the Series A Bonds.

The Robert Crown Project will include a new building of approximately 135,500 square feet to be used for a public library, an expanded ice arena, a gymnasium, a childcare center, an indoor running track, multi-purpose rooms, and educational and cultural program spaces, together with adjacent turf sports fields. The Robert Crown Project will be located on the current site of the Robert Crown Community Center (the "Robert Crown Center") and will be owned and operated by the City. The City intends to enter into agreements with various 501(c)(3) organizations (the "501(c)(3) Organizations") with regard to the use of the Robert Crown Project.

The Robert Crown Center was built in 1974 and is the City's most-used health and wellness facility. The Robert Crown Center serves as a venue for dozens of sports, summer camps, pre-school, and many other community programs. In 2000, the City Council was advised of the poor condition of the Robert Crown Center and the lack of improvements since its inception. Based on the City Council's recommendation, an evaluation of the Robert Crown Center was prepared in 2003 by a consultant hired by the City, which highlighted several civil, structural, architectural, and mechanical issues that had developed over the years. On January 19, 2016, the City Council approved a consulting services agreement for fundraising and recommended the City and the Evanston Public Library (the "Library") proceed with a fundraising campaign for the Robert Crown Project. Friends of the Robert Crown Center is a 501(c)(3) nonprofit charitable organization formed in 2016 to spearhead a community-wide fundraising initiative for the Robert Crown Project ("Friends"), involving the City, the Library, and the 501(c)(3) Organizations. The total cost of the Robert Crown Project is estimated to be \$52.9 million, of which it is anticipated that approximately \$37.6 million will be financed through the \$24,385,000 General Obligation Corporate Purpose Bonds, Series 2018A issued by the City in 2018 and the Series A Bonds, and approximately \$6 million will be financed from the fundraising campaign by Friends in 2019 and 2020. Building construction began in late 2018 and the Robert Crown Project is expected to be completed in the summer of 2020.

The Series B Bonds are being issued for the purpose of (i) providing for the Capital Improvement Project (as described below); (ii) paying capitalized interest on the Series B Bonds through December 1, 2019; and (iii) paying costs related to the issuance of the Series B Bonds.

The Capital Improvement Project will include street patching and resurfacing, alley and viaduct improvements, and other transportation improvements; water main and sewer improvements; parks improvements; and miscellaneous building improvements and other capital projects.

THE CITY

General

The City consists of many communities, perspectives, and qualities: it is a suburb, an urban center, a college town, and lakefront community; it has leafy neighborhoods and lakefront mansions; apartment, condominium, and student housing; its residents are commuters and locally employed workers; the downtown is prospering, but neighborhood commercial centers are also strong and developing. It is a part of the Chicagoland economy and has a vigorous commercial and professional economy of its own. A population of approximately 75,000 is diverse by race, religion, age, education, economics, and occupation. With approximately 9,500 people per square mile, The City has double the population density of the average North and Northwest suburb, and approximately half the density of Chicago. The City has over 260 acres in 75 parks and five beaches.

The City is contiguous with Chicago, and approximately 13 miles by rapid transit, commuter rail, expressway, or parkway from downtown Chicago. It borders the north shore communities of Skokie and Wilmette.

In 1863, the Village of Evanston was incorporated as a town, and, after several annexations, the town became a city in 1892. The City's southern boundary was established with the City of Chicago and the present City limits, encompassing an area of approximately 8.0 square miles, have been essentially the same ever since. The City has four miles of shoreline along Lake Michigan.

Northwestern University

Evanston is the home of Northwestern University, so named as it was established to serve the Northwest Territory. The University first platted the village which surrounded it. The State legislature named the village "Evanston" in honor of Dr. John Evans, the president of the University's Board.

One of the finest universities in the country, Northwestern University not only infuses the City with a certain vitality, but also affects both City revenues and many demographic profiles of the City. A significant number of the students are included in census counts, which tends to cause understated demographic statistics such as the City's per capita income, wealth per capita, assessed value per capita, etc. On the other hand, it increases revenue sharing and other grants based on population.

Government

The City is a home-rule unit of government under the Illinois Constitution and, as such, has no general obligation debt limit, nor is it required to seek referendum approval for the issuance of general obligation indebtedness. However, pursuant to the City's budget policy adopted by the City Council on December 18, 2000, as amended by Resolution No. 42-R-18 adopted by the City Council on June 25, 2018, and as further amended by Resolution No. 35-R-19 adopted by the City Council on April 8, 2019, the City has instituted a self-imposed limit of \$152,000,000 in aggregate principal amount of general obligation debt which is expected and intended to be paid from a general real property tax levy. The City has a Council/Manager form of government with an elected Mayor. The Mayor is elected for a four-year term. The Aldermen each represent one of nine wards and are elected to terms of four years. The City Council is organized into standing committees: Administration and Public Works, Human Services, Planning and Development, and Rules. The City Council has also established several special committees and commissions and advisory boards.

The City Manager is the Chief Administrative Officer of the City and is responsible for the management of all City operations under the direction of the Mayor and City Council. The City Manager appoints and supervises the directors of the City's 10 departments. The Chief Financial Officer is responsible for the central financial functions of the City.

The City provides a broad range of municipal services, including police and fire protection, streets and parking, water and sewer service, public libraries, social services, health and services for the aging, beaches, parks, and cultural events. A small portion of the City is located in the Skokie Park District. The City is engaged in assisting in community and economic development and maintains land use controls.

Public schools are provided by Evanston/Skokie School District 65 and Evanston Township High School District 202. Wastewater treatment is provided by the Metropolitan Water Reclamation District.

Administration

Wally Bobkiewicz, *City Manager*. Mr. Bobkiewicz is the City Manager, appointed in August 2009. Mr. Bobkiewicz is the administrative head of the municipal government and responsible for the efficient administration of all City departments. The departments are as follows: Administrative Services, Community and Economic Development, Fire, Health, Law, Library, Parks,

Recreation and Community Services, Police, Public Works and Utilities. Before working for the City, Mr. Bobkiewicz was employed as the City Manager with Santa Paula, California.

Hitesh Desai, *Chief Financial Officer/Treasurer*. Mr. Desai is the Chief Financial Officer/Treasurer and oversees and administers all the City’s financial functions, in conjunction with the City Manager. Prior to working for the City, Mr. Desai was the Finance Director of the Village of Carpentersville, Illinois. Mr. Desai has previously served the City as Accounting Manager and Senior Accountant.

Development Activity and City Layout

The City’s downtown is a central location for over eighty restaurants (ranging from casual to high-end), hundreds of hotel rooms, a state-of-the art movie theater, several theater and dance companies, retail bookstores, and numerous shops. Total equalized assessed value (“EAV”) growth in the City has grown from \$1.30 billion in 1999 to \$2.74 billion in 2017. Evanston’s prudent use of TIF development has added to this growth.

Commercial development in the downtown area has been a priority of City government since the City adopted a “Plan for Downtown Evanston/City Comprehensive Plan” in 1980, with continuing revisions since then. The City has encouraged and supported private development; its efforts have included enhanced public transportation through the interconnection of bus, Metra rail and the Chicago Transit Authority (the “CTA”) hubs; public art including streetscape and sidewalk amenities; creation of a commercial district to support nightlife in the City; and the creation of two TIF districts to provide support for the Church Street Plaza and Sherman Plaza redevelopment areas.

The City also has eight neighborhood commercial districts. Six of them, Central Street, Noyes Street, Chicago & Dempster, Main & Chicago, and Howard & Chicago, are formed around transportation hubs. Each of these districts has distinctive features: international, specialty retail, and baked goods at Central Street; theater and dining at Noyes Street; antiques, art, and specialty goods at Chicago & Dempster; convenient shopping at Main & Chicago; and the transportation center at Howard & Chicago, on the border of the City with Chicago. The remaining two, Evanston Center and Oakton Street Center, on the southwest side of the City, are commercial centers initiated by developers and include a large number of national retailers. They have major anchor and supportive retail stores which meet the needs of the neighborhood and beyond, and were redeveloped on former vacant industrial sites.

Labor Relations

The City’s four collective bargaining contracts cover the majority of the City’s 807 (2018 budget full-time equivalent) employees and include: Police – Fraternal Order of Police (FOP) (expired on December 31, 2018); Firefighters - Local 742 of the International Association of Firefighters (IAFF) (expires on December 31, 2022); Police Sergeants - FOP (expires on December 31, 2022); other labor and general office positions including Public Works, Utilities, Parks/Recreation, Health, Library and Community Development - American Federation of State County and Municipal Employees (AFSCME), Council 31, Local 1891A (expires on December 31, 2022). The City has all contracts in place except Police – (FOP) effective January 1, 2019. The City expects the Police FOP contract to be finalized in the near future.

The City has not experienced any work stoppage due to labor difficulties for the last 30 years.

Economic and Demographic Data

The City’s median family income and per capita income remain consistently and significantly above State and County levels, as does the median home value.

Median Family Income

	<u>2000</u>	<u>2006-2010</u>	<u>2013-2017</u>
City of Evanston	\$78,886	\$106,149	\$112,742
Cook County	53,784	65,039	73,012
State of Illinois	55,545	68,236	76,533

Source: U.S. Census Bureau, and the 2006-2010 and 2013-2017 ACS 5-year estimates.

Per Capita Income

	<u>2000</u>	<u>2006-2010</u>	<u>2013-2017</u>
City of Evanston	\$33,645	\$42,925	\$43,956
Cook County	23,227	29,335	33,722
State of Illinois	23,104	28,782	32,924

Source: U.S. Census Bureau, and the 2006-2010 and 2013-2017 ACS 5-year estimates.

Median Home Values

	<u>2000</u>	<u>2006-2010</u>	<u>2013-2017</u>
City of Evanston	\$290,800	\$395,000	\$367,300
Cook County	157,700	265,800	227,400
State of Illinois	130,800	202,500	179,700

Source: U.S. Census Bureau, and the 2006-2010 and 2013-2017 ACS 5-year estimates.

The 2013-2017 ACS 5-year estimates by the U.S. Census Bureau reported that of the 28,727 total occupied housing units, 56.2% of those located in the City were owner-occupied. Selected home value data relative to values of owner-occupied housing units in the City compared with the County and the State are as follows:

Home Values – Owner-Occupied

Value of Specified Owner-Occupied Units	City of Evanston	Cook County	State of Illinois
Under \$50,000	1.8%	4.3%	7.3%
\$50,000 to \$99,999	3.0	9.3	15.7
\$100,000 to \$149,999	6.8	13.5	16.2
\$150,000 to \$199,999	10.5	16.1	16.2
\$200,000 to \$299,999	18.2	23.3	20.5
\$300,000 to \$499,999	24.1	20.9	15.9
\$500,000 or more	<u>35.5</u>	<u>10.0</u>	<u>8.2</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Median Home Value – Owner-Occupied.....	\$367,300	\$227,400	\$179,700

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimates.

Education and Employment

The 2013-2017 ACS 5-year estimates by the U.S. Census Bureau report that over 65% of adult residents of the City have four or more years of college, compared to 30.9% nationally, and 93% have at least a high school education or higher.

Educational Attainment – Population over 25

<u>Educational Level</u>	<u>Number</u>	<u>Percentage</u>
Graduate or Professional Degree	17,629	36.5%
Bachelor’s Degree	13,886	28.8
Associate’s Degree	1,697	3.5
Some college, no degree	5,802	12.0
High school graduate	6,089	12.6
9th to 12th grade, no diploma	1,379	2.9
Less than 9th grade	1,811	3.8
Total	<u>48,293</u>	<u>100.0%</u>

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimates.

The following table shows the proportion of City residents holding various job categories. Consistent with the high average level of educational attainment, over 61% of job holders who are City residents work in professional or managerial jobs, as compared to 38.7% in the County and 37.2% in the State.

Select Occupation Categories

<u>Type of Occupations</u>	<u>Number</u>	<u>Percentage</u>
Management, business, science, and arts	22,431	61.5%
Service occupations	4,583	12.6
Sales and office occupations	6,717	18.4
Natural Resources, construction, and maintenance	808	2.2
Production, transportation, material moving	1,919	5.3
Total	36,771	100.0%

Source: U.S. Census Bureau, and the 2013-2017 ACS 5-year estimates.

Population

The City’s population is essentially stable, having been near 70,000 since 1950.

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2013-2017</u>
City of Evanston	73,233	74,239	74,549	75,557
Cook County	5,105,067	5,376,741	5,194,675	5,238,541
State of Illinois	11,430,602	12,419,293	12,830,632	12,854,526

Source: U.S. Census Bureau, and the 2013-2017 ACS 5-year estimates.

Building Permits

Building Activity – Value of Permits

<u>Calendar Year</u>	<u>Value of All Building Permits</u>
2018	\$374,489,566
2017	306,352,806
2016	536,538,596
2015	321,578,749
2014	557,445,516

Source: The City.

Transportation

The City has excellent public transportation. It is served by a rapid transit rail line operated by CTA, with eight stations in Evanston. This is part of the CTA’s metropolitan rapid transit system. Commuter rail service provided by Metra, a Division of the Regional Transportation Authority (“RTA”), serves three stops in Evanston. Four local bus routes operated by the CTA connect all Evanston neighborhoods with its downtown area. Five bus routes operated by PACE, a suburban bus division of the RTA, connect Evanston with north and northwestern suburbs.

Employment

<u>Business</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Northshore University Health System	Company headquarters, hospital, and medical research	5,861
Northwestern University	Private university	5,200
Amita Health Saint Francis Hospital	Hospital	1,200
West Minster Pl., McGaw Care Center	Retirement home	600
Northwestern University, Kellogg School of Management	Private university, graduate programs	500
C.E. Niehoff & Co.	Heavy-duty alternators	400
ZS Associates	Marketing consultants	300
Magnetar Capital Partners, LP	Hedge fund advisors	250
Accuity, Inc.	Processing transactions data and software development	230
Dard Products, Inc.	Keytags and desk accessories	125

Source: 2019 Illinois Manufacturers Directory and 2019 Illinois Services Directory.

Industry

Although a small proportion of the total property value and employment numbers, various manufacturing companies operate in the City, including Manufacturers' News, Inc., a compiler and publisher of industrial directories, databases, and statistics; Ward Manufacturing Co., a tool and die manufacturer; and C.E. Niehoff & Co., a manufacturer of automotive components.

Unemployment

Unemployment in the City is consistently below County and State levels.

Average Unemployment Rates⁽¹⁾

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019⁽²⁾</u>
City of Evanston	7.6%	7.8%	6.1%	5.0%	4.9%	4.1%	3.2%	3.1%
Cook County	9.6%	9.6%	7.5%	6.2%	6.1%	5.2%	4.0%	4.0%
State of Illinois	9.0%	9.0%	7.1%	6.0%	5.8%	5.0%	4.3%	4.7%

⁽¹⁾Annual average unemployment rates were revised in 2018.

⁽²⁾Preliminary for February 2019.

Source: Illinois Department of Employment Security.

FINANCES

Budget Process, Accounting, and Financial Control Procedures

The City's fiscal year has historically begun on March 1 of each year. However, the City passed a resolution that changed the City's fiscal year to match the calendar year beginning in the year 2012. As such, fiscal year 2011 was only ten months in duration (March 1, 2011 through December 31, 2011).

The City Manager submits to the City Council a proposed operating budget not less than 60 days prior to the start of each fiscal year. The operating budget includes proposed expenditures and the means of financing those expenditures. The City Council holds several public hearings and then may modify the budget prior to adoption.

The City Manager is authorized to transfer budgeted amounts between departments within any fund (such as the General Fund); however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgets are legally adopted on a basis consistent with generally accepted accounting principles ("GAAP") except that property taxes are budgeted as revenue in the year they are levied. For purposes of preparing the combined statement of revenues, expenditures, and changes in fund balances – budget and actual, GAAP revenue and expenditures have been adjusted to the budgetary basis. The budgets of the governmental type funds are prepared on a modified accrual basis. Obligations of the City are budgeted as

expenditures, but revenue is recognized only when it has actually been received. The Comprehensive Annual Financial Report of the City (“CAFR”) presents expenditures and revenues on both a GAAP basis and a budget basis for comparison.

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities. A fund is a separate, self-balancing accounting entity, and in the City there are three categories of funds: governmental, proprietary, and fiduciary. Governmental funds are used to account for all or most of the City’s general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund. Other major funds include Special Revenue Funds, Debt Service Funds, Enterprise Funds (water, sewer, and parking), and Pension Trust Funds.

The Enterprise Funds (water and sewer) are budgeted on a full accrual basis. Expenses are recognized when a commitment is made (through a purchase order), and revenues are recognized when they are obligated to the City (for example, water user fees are recognized as revenue when bills are produced).

The City reports financial results based on GAAP as promulgated by the Governmental Accounting Standards Board. The accounts of the City are divided into separate self-balancing funds comprised of its assets, liabilities, fund equity, revenues, and expenditures, as appropriate.

The City’s expenditures are monitored on a regular basis by the Finance Department. Disbursements are made only if an expenditure is within the authorized budget.

The City annually presents its budget to the Government Finance Officers Association (“GFOA”) for review against that organization’s standards for government budgeting. The City received an Award for Distinguished Budget Presentation from the GFOA for the fiscal year 2016 budget and has previously received the award for over 16 successive years.

Financial Statements and Independent Audits

The City annually presents its CAFR to the GFOA for review against that organization’s standards for governmental accounting and financial reporting. The City received a certificate of achievement for excellence in financial reporting from the GFOA for the fiscal year ended December 31, 2016.

The City’s financial statements are audited annually as required by State law. Sikich LLP, Certified Public Accountants and Advisors, Naperville, Illinois (“Sikich LLP”), audited the financial statements for fiscal year ended December 31, 2017. Copies of the City’s CAFR are available at the City’s website. The CAFR for the fiscal year ended December 31, 2017, are included as APPENDIX A to this Official Statement. Sikich LLP, has neither reviewed nor approved this Official Statement or its appendices.

The City has covenanted in connection with the issuance of the Bonds to file its CAFR and certain additional financial and operating data within 270 days after the close of the City’s fiscal year. See APPENDIX C to this Official Statement.

Cash Management

The City invests available funds to the extent not needed for immediate expenditures in interest bearing securities. Money market funds make up 100% of General Fund investments. Cash amounts held in bank accounts are collateralized by United States government or agency obligations.

The City’s investment policy is in compliance with the Illinois Municipal Investment Act and limits investments to those that are insured or which are registered (or for which the securities are held by the City or its agent) in the City’s name. Bond funds are invested separately.

Revenues

The City receives revenue from a wide variety of sources. These include a real property tax, municipal shares of State sales and income taxes, a home-rule sales tax, utility taxes, and federal grants, as well as various use charges, licenses, and permits. The largest revenue source for the City is the property tax. See “REAL PROPERTY TAXATION” for a description of the property tax. Other major revenue sources are described below.

Sales Taxes

The City's share of the State sales tax and a separate City home-rule sales tax are the second largest source of revenue to the City. A portion of the State's sales tax receipts from sales within Evanston are statutorily allocated to the City. The amount so received by the City equals about 1.0% of those sales subject to the State tax. In addition, the City imposes a City-wide home-rule sales tax, as permitted by State law, presently at a rate of 1.0%. Sales of vehicles, groceries and medicine, among other items, are exempted by State law from this home-rule sales tax. The Department of Revenue collects both the State sales tax and the City's sales tax. Two percent (2%) of the City's home-rule sales tax collections were retained as an administrative fee by the Department of Revenue for State FY 2018. Beginning with State FY 2019, the Department of Revenue's administrative fee has been reduced to 1.5% of home-rule sales tax collections. As illustrated on the following table, the State sales tax produced \$10.6 million and the home-rule sales tax produced \$6.4 million for the City's fiscal year ended December 31, 2018, based on preliminary unaudited figures. The State sales taxes payable to the City have grown at an average compounded rate of approximately 1.77 percent between fiscal years ended February 29, 2009 and December 31, 2018.

Ten Year History State Sales Tax Receipts

<u>FY Ended</u>	<u>Home-Rule Annual</u>	<u>12-Month Increase/ (Decrease)</u>	<u>Sales Tax Annual</u>	<u>12-Month Increase/ (Decrease)</u>
12/31/2018 ⁽¹⁾	\$6,407,406	4.66%	\$10,555,250	6.10%
12/31/2017	6,122,088	(0.56%)	9,948,541	(2.63%)
12/31/2016	6,156,529	0.89%	10,216,966	2.17%
12/31/2015	6,102,128	(0.01%)	9,999,482	2.00%
12/31/2014	6,102,969	2.32%	9,803,582	0.89%
12/31/2013	5,964,747	4.51%	9,717,393	7.86%
12/31/2012	5,707,112	N/A	9,008,956	N/A
12/31/2011	4,902,429	N/A	7,671,007	N/A
2/28/2011	5,724,904	4.78%	8,791,573	2.87%
2/28/2010	5,463,561	(1.96%)	8,546,173	(3.52%)
2/28/2009	5,572,880	(5.73%)	8,857,994	(4.11%)

⁽¹⁾Figures for the fiscal year ended 12/31/2018 are preliminary and unaudited and are subject to change.
Source: The City and the City's CAFR.

Personal Property Replacement Taxes

Personal Property Replacement Taxes ("PPRT") are revenues collected by the State and paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away. Below are five years of PPRT for the City.

Personal Property Replacement Taxes

<u>FY Ended</u>	<u>Amount</u>
12/31/2018 ⁽¹⁾	\$1,350,173
12/31/2017	1,394,387
12/31/2016	1,425,178
12/31/2015	1,358,443
12/31/2014	1,448,645

⁽¹⁾Figures for the fiscal year ended 12/31/2018 are preliminary and unaudited and are subject to change.
Source: The City and the City's CAFR.

Utility Taxes

The City collects utility taxes on natural gas, electricity, and telephone charges. Based on preliminary unaudited figures, utility taxes generated \$6.7 million for the fiscal year ended December 31, 2018, compared to \$6.6 million for the fiscal year ended December 31, 2017, and \$6.7 million for the fiscal year ended December 31, 2016.

Overview of Budget for Fiscal Years 2017, 2018, and 2019

The total budget of the City for the fiscal year ending December 31, 2017 was \$308.8 million. The General Fund portion of the total budget for fiscal year ending December 31, 2017 was \$118.7 million. The City ended the fiscal year ending December 31, 2017 under budget.

The total budget of the City for the fiscal year ending December 31, 2018 is \$308.8 million. The General Fund portion of the total budget for fiscal year ending December 31, 2018 is \$114.2 million. The City expects the General Fund to end the fiscal year ending December 31, 2018 with a surplus of approximately \$500,000, based on unaudited results.

The total budget of the City for the fiscal year ending December 31, 2019 is \$____ million. The General Fund portion of the total budget for fiscal year ending December 31, 2019 is \$____ million.

Summary of Financial Information

The following summary of financial information is taken from the CAFR of the City for fiscal years ended December 31, 2013 through December 31, 2017. Preliminary unaudited figures for the fiscal year ended December 31, 2018 are included where they are available. This summary does not purport to be complete. Reference should be made to the CAFR for fiscal year ended December 31, 2017 included as APPENDIX A of this Official Statement. Sikich LLP has neither reviewed nor approved this summary.

General Fund Balance Sheet Fiscal Years Ended

Assets:	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017⁽¹⁾
Cash and Investments	\$10,885,387	\$ 5,070,897	\$ 2,168,922	\$ 6,324,402	\$ 5,767,719
Property Taxes Receivable	12,031,386	11,387,119	27,177,454	28,177,453	28,599,196
Due From Other Governments	7,247,146	6,876,727	8,567,535	7,066,670	6,120,698
Due From Other Funds	3,029,567	3,868,070	2,497,033	3,430,218	3,846,698
All Other Assets	2,983,910	3,454,712	1,340,477	2,879,876	2,945,801
Total Assets	36,177,396	30,657,525	41,751,421	47,878,619	47,280,112
Liabilities:					
Vouchers Payable	1,760,323	2,245,334	2,187,056	3,042,151	3,569,393
Accrued Payroll	2,317,172	293,472	600,834	839,121	1,110,921
Compensated Absences Payable	207,027	302,311	--	--	--
Due To Other Funds/Governments	4,546,512	2,882,454	--	3,368,372	23,967
All Other Liabilities	506,188	420,885	1,042,031	783,589	628,953
Total Liabilities	9,337,222	6,144,456	3,829,921	8,033,233	5,333,234
Deferred Inflows of Resources	10,477,223	9,530,103	27,216,664	28,177,453	28,599,196
Fund Balances:					
Nonspendable	--	--	118,433	--	300,00
Restricted	--	--	--	--	--
Committed	--	--	--	--	--
Assigned	6,361,490	5,347,110	5,671,992	5,045,638	4,179,617
Unassigned	10,001,461	9,635,856	4,914,411	6,622,295	8,868,065
Total Fund Balance	16,362,951	14,982,966	10,704,836	11,667,933	13,347,682
Total Liabilities, Deferred Inflows and Fund Balance	\$36,177,396	\$30,657,525	\$41,751,421	\$47,878,619	\$47,280,112

⁽¹⁾Unaudited figures for the fiscal year ended 12/31/2018 are currently unavailable.

Sources: The City; CAFR for fiscal years ended 12/31/2013 through 12/31/2017.

**General Fund
Statement of Fund Operations
Fiscal Years Ended**

Revenues:	<u>12/31/2013</u>	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018⁽¹⁾</u>
Taxes	\$38,709,390	\$38,222,153	\$52,628,569	\$54,336,773	\$58,812,954	\$60,490,044
Licenses and Permits	10,617,414	14,503,168	12,184,303	17,933,413	13,357,610	11,680,895
Intergovernmental	18,382,644	17,964,980	18,998,689	18,445,108	18,024,694	19,207,379
Charges for Services	7,722,937	7,792,469	8,224,155	8,694,803	8,679,945	10,412,949
Fines and Forfeits	3,448,523	3,357,965	3,554,188	3,611,901	3,467,693	3,765,058
Investment Income	26,907	13,037	6,573	30,285	38,558	94,681
Miscellaneous	1,418,949	1,138,650	950,964	1,338,381	1,858,107	1,763,275
Total	<u>80,326,764</u>	<u>82,992,422</u>	<u>96,547,441</u>	<u>104,390,664</u>	<u>104,239,561</u>	<u>107,414,281</u>
Expenditures:						
General Management and Support	14,147,518	11,642,286	11,753,081	15,929,441	16,839,903	17,758,836
Public Safety	40,650,660	43,013,173	58,461,316	60,939,168	63,444,262	64,187,767
Public Works	8,797,497	17,398,563	16,866,953	13,240,692	13,032,463	13,523,392
Health & Human Resource Dev.	3,601,469	3,836,705	3,140,999	3,021,327	3,110,698	3,165,206
Recreation & Cultural Opportunities	14,744,293	10,486,537	11,079,855	11,893,837	12,371,359	12,842,485
Housing & Economic Dev.	2,536,209	2,627,187	2,359,753	2,455,754	2,536,144	3,572,658
Total	<u>84,477,646</u>	<u>89,004,451</u>	<u>103,661,957</u>	<u>107,480,219</u>	<u>111,334,829</u>	<u>115,050,345</u>
Transfers In	6,826,313	7,233,511	7,769,334	8,099,626	12,446,096	--
Transfers Out	<u>(3,345,967)</u>	<u>(2,601,467)</u>	<u>(3,169,989)</u>	<u>(4,046,974)</u>	<u>(3,671,079)</u>	--
Interfund Transfers	3,480,346	4,632,044	4,599,345	4,052,652	8,775,017	8,133,142
Fund Balance, Beginning of Year	17,033,487	16,362,951	14,982,966	10,704,836	11,667,933	13,347,682
Prior period adjustment	--	--	(1,762,959)	--	--	(131,583)
Fund Balance, End of Year	<u>\$16,362,951</u>	<u>\$14,982,966</u>	<u>\$10,704,836</u>	<u>\$11,667,933</u>	<u>\$13,347,682</u>	<u>\$13,713,178</u>

⁽¹⁾Figures for the fiscal year ended 12/31/2018 are preliminary and unaudited and are subject to change.

Sources: The City; CAFR for fiscal years ended 12/31/2013 through 12/31/2017.

Insurance Coverage

The City maintains commercial all-risk property insurance with regard to City facilities, subject to a deductible of \$75,000 per occurrence. The City maintains general liability insurance for claims in excess of \$2.0 million per occurrence.

(The remainder of this page has been left blank intentionally.)

GENERAL OBLIGATION BONDED INDEBTEDNESS

Outstanding General Obligation Debt

The below table provides the City’s outstanding general obligation debt issues as of the issuance of the Bonds.

General Obligation Debt by Issue

<u>Date of Issue</u>	<u>Type of Obligation</u>	<u>Amount Issued</u>	<u>Final Maturity</u>	<u>Interest Rates Outstanding</u>	<u>Principal Outstanding</u>
08/15/2010	Bonds, Series 2010A	\$ 6,500,000	12/01/2029	2.00% - 3.625%	\$ 4,395,000
08/15/2010	Taxable Bonds, Series 2010B	8,000,000	12/01/2019	2.50% - 3.30%	1,135,000
08/01/2011	Bonds, Series 2011A	19,240,000	12/01/2031	2.00% - 4.50%	12,300,000
07/26/2012	Bonds, Series 2012A	15,720,000	12/01/2032	3.00% - 3.25%	9,355,000
08/15/2013	Bonds, Series 2013A	12,565,000	12/01/2033	2.00% - 4.75%	10,325,000
11/20/2013	Ref. Bonds, Series 2013B	28,875,000	12/01/2025	2.00% - 3.00%	10,885,000
08/21/2014	Bonds, Series 2014	12,045,000	12/01/2034	1.25% - 5.00%	10,275,000
11/10/2015	Bonds, Series 2015A	13,095,000	12/01/2035	2.00% - 4.00%	11,680,000
11/10/2015	Ref. Bonds, Series 2015B	11,075,000	12/01/2022	2.00% - 3.00%	6,775,000
09/28/2016	Bonds, Series 2016A	13,715,000	12/01/2036	2.00% - 4.00%	12,680,000
09/28/2016	Ref. Bonds, Series 2016B	7,635,000	12/01/2026	2.00% - 3.00%	6,275,000
10/16/2017	Bonds, Series 2017A	13,990,000	12/01/2037	3.00% - 4.00%	13,530,000
10/16/2017	Ref. Bonds, Series 2017B	9,225,000	12/01/2027	2.00% - 4.00%	8,240,000
10/16/2017	Taxable Bonds, Series 2017C	5,000,000	12/01/2035	2.05% - 4.00%	5,000,000
08/07/2018	Bonds, Series 2018A	24,385,000	12/01/2043	3.125% - 5.00%	24,385,000
08/07/2018	Bonds, Series 2018B	16,545,000	12/01/2038	3.125% - 5.00%	16,545,000
08/07/2018	Ref. Bonds, Series 2018C	8,020,000	12/01/2028	4.00% - 5.00%	8,020,000
08/07/2018	Taxable Bonds, Series 2018D	3,570,000	12/01/2038	3.70% - 4.25%	3,570,000
	Existing Total				<u>\$175,370,000</u>
Dated Date	Bonds, Series 2019A*	\$ 13,285,000			\$ 13,285,000
Dated Date	Bonds, Series 2019B*	13,280,000			<u>13,280,000</u>
	Total*				<u><u>\$201,935,000</u></u>

*Preliminary, subject to change.

(The remainder of this page has been left blank intentionally.)

The below table provides the City's outstanding general obligation debt service as of the issuance of the Bonds.

Total General Obligation Debt Service

Year Ending	Outstanding G.O. Debt		The Bonds ⁽¹⁾		Total Debt Service ⁽¹⁾
	Principal	Interest	Principal	Interest	
12/31/2019	\$ 10,860,000	\$ 6,246,086	\$ -	\$ 630,919 ⁽²⁾	\$ 17,737,005
12/31/2020	11,115,000	5,937,069	400,000	1,328,250	18,780,319
12/31/2021	11,450,000	5,596,566	420,000	1,308,250	18,774,816
12/31/2022	12,040,000	5,231,584	790,000	1,287,250	19,348,834
12/31/2023	10,675,000	4,813,233	830,000	1,247,750	17,565,983
12/31/2024	10,650,000	4,421,070	870,000	1,206,250	17,147,320
12/31/2025	11,005,000	4,016,915	915,000	1,162,750	17,099,665
12/31/2026	10,105,000	3,587,125	960,000	1,117,000	15,769,125
12/31/2027	9,445,000	3,188,290	1,005,000	1,069,000	14,707,290
12/31/2028	8,715,000	2,820,290	1,060,000	1,018,750	13,614,040
12/31/2029	8,095,000	2,488,040	1,110,000	965,750	12,658,790
12/31/2030	7,905,000	2,181,437	1,165,000	910,250	12,161,687
12/31/2031	8,210,000	1,877,053	1,220,000	852,000	12,159,053
12/31/2032	7,290,000	1,556,600	1,280,000	791,000	10,917,600
12/31/2033	6,940,000	1,317,008	1,345,000	727,000	10,329,008
12/31/2034	6,310,000	1,081,062	1,415,000	659,750	9,465,812
12/31/2035	5,680,000	873,891	1,485,000	589,000	8,627,891
12/31/2036	4,525,000	686,421	1,560,000	514,750	7,286,171
12/31/2037	3,810,000	534,901	1,635,000	436,750	6,416,651
12/31/2038	3,020,000	401,825	1,720,000	355,000	5,496,825
12/31/2039	1,395,000	294,025	1,805,000	269,000	3,763,025
12/31/2040	1,445,000	245,200	830,000	178,750	2,698,950
12/31/2041	1,500,000	187,400	870,000	137,250	2,694,650
12/31/2042	1,560,000	127,400	915,000	93,750	2,696,150
12/31/2043	1,625,000	65,000	960,000	48,000	2,698,000
Total	\$175,370,000	\$59,775,494	\$26,565,000	\$18,904,169	\$280,614,662

⁽¹⁾Preliminary, subject to change.

⁽²⁾Includes capitalized interest through December 1, 2019.

(The remainder of this page has been left blank intentionally.)

A portion of the debt service on the City's outstanding general obligation bonds is expected to be paid from sources other than general property taxes levied throughout the City. These sources include incremental taxes in TIF districts, special service area taxes, and revenues from various enterprise funds including sewer services fees ("Other Debt Service Sources"). The City's total general obligation debt service schedule and portion expected to be paid from Other Debt Service Sources is presented in the table below; no assurance is given that such Other Debt Service Sources will be available or will be so applied.

Total and Scheduled for Abatement General Obligation Debt Service⁽¹⁾

Year Ending	Outstanding G.O. Debt ^{(2)*}		Expected to be Paid From Other Debt Service Sources ^{(2)*}		Net Debt Service ^{(2)*}
	Principal	Interest	Principal	Interest	
12/31/2019	\$ 10,860,000	\$ 6,877,005	\$ 3,640,750	\$ 2,429,556	\$ 11,666,699
12/31/2020	11,515,000	7,265,319	1,953,890	1,458,812	15,367,617
12/31/2021	11,870,000	6,904,816	2,024,067	1,397,324	15,353,425
12/31/2022	12,830,000	6,518,834	2,234,396	1,331,801	15,782,638
12/31/2023	11,505,000	6,060,983	2,319,979	1,256,317	13,989,687
12/31/2024	11,520,000	5,627,320	2,521,632	1,177,358	13,448,330
12/31/2025	11,920,000	5,179,665	2,593,616	1,090,025	13,416,025
12/31/2026	11,065,000	4,704,125	2,539,427	996,895	12,232,803
12/31/2027	10,450,000	4,257,290	2,560,761	903,986	11,242,543
12/31/2028	9,775,000	3,839,040	2,623,967	811,624	10,178,450
12/31/2029	9,205,000	3,453,790	2,524,929	717,822	9,416,039
12/31/2030	9,070,000	3,091,687	2,630,951	631,000	8,899,736
12/31/2031	9,430,000	2,729,053	2,728,712	539,480	8,890,860
12/31/2032	8,570,000	2,347,600	2,341,406	443,174	8,133,021
12/31/2033	8,285,000	2,044,008	2,116,997	361,538	7,850,473
12/31/2034	7,725,000	1,740,812	2,050,530	284,854	7,130,427
12/31/2035	7,165,000	1,462,891	1,929,064	211,475	6,487,352
12/31/2036	6,085,000	1,201,171	1,177,597	140,857	5,967,717
12/31/2037	5,445,000	971,651	989,072	95,961	5,331,617
12/31/2038	4,740,000	756,825	972,009	55,423	4,469,394
12/31/2039	3,200,000	563,025	300,373	15,019	3,447,634
12/31/2040	2,275,000	423,950	-	-	2,698,950
12/31/2041	2,370,000	324,650	-	-	2,694,650
12/31/2042	2,475,000	221,150	-	-	2,696,150
12/31/2043	2,585,000	113,000	-	-	2,698,000
Total	\$201,935,000	\$78,679,662	\$44,774,125	\$16,350,301	\$219,490,236

⁽¹⁾As of the Dated Date.
⁽²⁾Amounts are rounded.

(The remainder of this page has been left blank intentionally.)

*Preliminary, subject to change.

Overlapping General Obligation Bonded Debt
(As of March 18, 2019)

<u>Taxing Body</u>	<u>Total Outstanding Debt</u>	<u>Percent Allocable</u>	<u>Amount Allocable</u>
Cook County	\$2,950,121,751	1.82%	\$ 53,692,216
Cook County Forest Preserve District ⁽¹⁾	92,605,000	1.82%	1,685,411
Metropolitan Water Reclamation District ⁽²⁾	2,679,240,889	1.86%	49,833,881
Skokie Park District ⁽³⁾	3,076,000	0.62%	19,071
Community Consolidated School District No. 65	71,646,067	90.34%	64,725,057
Township High School District No. 202	26,865,000	90.34%	24,269,841
Community College District No. 535	32,130,000	12.00%	3,855,600
Total Overlapping General Obligation Bonded Debt			\$198,081,077

⁽¹⁾Does not include \$48,305,000 alternate revenue source bonds.

⁽²⁾Does not include \$97,190,000 alternate revenue source bonds.

⁽³⁾Does not include \$19,348,484 alternate revenue source bonds.

Source: Cook County Tax Extension and the MSRB's Electronic Municipal Market Access system ("EMMA").

Debt Ratios

<u>Metric</u>	<u>Value</u>	
True Value (2017)	\$8,220,180,360	
EAV (2017) ⁽¹⁾	2,740,060,120	
Population (U.S. Census Bureau 2013-2017 ACS 5-year population estimate)	75,557	
Direct Debt (Property Tax Supported)*	\$ 157,160,875	
Direct Debt (Supported by Other Sources)*	44,774,125	
Total Direct Debt*	\$ 201,935,000	
Self-imposed Debt Limit (Property Tax Supported) ⁽²⁾	\$ 152,000,000	
Total Overlapping Debt	\$ 198,081,077	
Total Direct and Overlapping Debt*	\$ 400,016,077	
Total Direct and Overlapping Debt (Less Debt Supported by Other Sources)*	\$ 355,241,952	
Debt Ratio	All General Obligation Debt	General Obligation Debt (Less Debt Supported by Other Sources)
Direct Debt Per True Value*	2.46%	1.91%
Direct Debt Per EAV*	7.37%	5.74%
Direct Debt Per Capita*	\$2,673	\$2,080
Direct and Overlapping Debt Per True Value*	4.87%	4.32%
Direct and Overlapping Debt Per EAV*	14.60%	12.96%
Direct and Overlapping Debt Per Capita*	\$5,294	\$4,702

⁽¹⁾Does not include TIF incremental value.

⁽²⁾See "THE CITY – Government" herein for a discussion of the City's self-imposed debt limit. Direct Debt (Supported by Other Sources) is not subject to the self-imposed debt limit.

*Preliminary, subject to change.

General Obligation Debt Trends

Year <u>Ending</u>	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	Library <u>Component Unit</u>	Total <u>General Obligation</u>
12/31/2018	\$144,701,821	\$25,839,037	\$4,829,139	\$175,369,997
12/31/2017	117,965,915	25,504,953	3,029,128	146,499,996
12/31/2016	112,107,778	29,902,079	1,970,143	143,980,000
12/31/2015	114,683,721	30,957,894	1,643,381	147,284,996
12/31/2014	116,836,839	29,787,840	2,125,321	148,750,000
12/31/2013	117,531,511	30,411,358	2,767,131	150,710,000
12/31/2012	120,938,742	33,221,258	--	154,160,000
12/31/2011	122,579,206	35,115,794	--	157,695,000
2/28/2011	117,322,439	36,212,561	--	153,535,000
2/28/2010	111,233,880	40,236,120	--	151,470,000

[Future Financings]

The City does not plan to issue additional debt during this calendar year. Fundraising efforts by Friends continue in order to minimize the City's debt liability associated with the Robert Crown Project.

REAL PROPERTY TAXATION

As a home-rule municipality, the City has the ability to levy real property taxes on the taxable property in the City without limitation as to rate or amount. The City levies real property taxes for general government purposes, pension contributions, and general obligation debt service. Real property taxes are applied to taxable property based on its assessed value (less various exemptions), as equalized among counties by the Department of Revenue. This is referred to as the equalized assessed valuation or "EAV." See "Real Property Assessment, Tax Levy, and Collections Procedures" herein.

Taxable property is reassessed every three years. The most recent reassessment period was tax year 2017. The following table shows the City's EAV in recent years. The taxes collected in 2017 were payable with respect to the EAV for tax year 2016. The EAV of property for tax year 2017 was approximately \$2.74 billion, which does not include the EAV included in TIF districts (see "Tax Increment Financing" herein).

Historic EAV⁽¹⁾

<u>Tax Year</u>	<u>Total</u>	<u>% Change</u>
2017	\$2,740,060,120	2.61%
2016	2,670,411,769	21.60%
2015	2,196,021,525	-2.16%
2014	2,244,569,975	1.95%
2013	2,201,697,038	-12.44%
2012	2,514,621,552	-7.80%
2011	2,727,367,573	-10.34%
2010	3,041,884,087	-7.99%
2009	3,305,989,369	12.51%
2008	2,938,397,892	5.99%

⁽¹⁾TIF Incremental value not included.

Source: Cook County Clerk's Office.

Property owned by not-for-profit colleges, universities, and hospitals is not subject to real property taxation. Northwestern University, the City's largest employer, does not pay property taxes on educational properties. The University does pay its share of water and sewer charges, utilities taxes, permit fees, and other charges for services.

EAV by Classification of Property⁽¹⁾

	<u>2013</u>	<u>Percent</u>	<u>2014</u>	<u>Percent</u>	<u>2015</u>	<u>Percent</u>	<u>2016</u>	<u>Percent</u>	<u>2017</u>	<u>Percent</u>
Residential	\$1,653,524,481	75.10%	\$1,792,383,435	79.85%	\$1,751,252,888	79.75%	\$2,151,672,082	80.57%	\$2,178,182,897	79.49%
Farm	15,956	0.00%	15,467	0.00%	15,467	0.00%	15,467	0.00%	15,467	0.00%
Commercial	452,108,891	20.53%	416,165,953	18.54%	410,670,248	18.70%	483,830,858	18.12%	527,589,667	19.25%
Industrial	94,820,879	4.31%	34,726,327	1.55%	32,549,681	1.48%	33,333,491	1.25%	32,680,857	1.19%
Railroad	1,226,831	0.06%	1,278,793	0.06%	1,533,241	0.07%	1,559,871	0.06%	1,591,232	0.06%
Total EAV	\$2,201,697,038	100.00%	\$2,244,569,975	100.00%	\$2,196,021,525	100.00%	\$2,670,411,769	100.00%	\$2,740,060,120	100.00%

⁽¹⁾Does not include TIF incremental value. See "Tax Incremental Financing" below. The City's TIF incremental value for 2017 was \$77,954,625.

Note: Percentages may not add to 100% because of rounding.

Source: Cook County Clerk's Office.

Tax Increment Financing

Under Illinois law, municipalities may designate particular areas as redevelopment project areas and may provide for tax increment financing for redevelopment project costs in those TIF districts. In a TIF district, collections of real property taxes levied by all taxing bodies, to the extent attributed to increases in the EAV of the TIF district over its EAV when the TIF district was so designated, are deposited in a special tax allocation fund of the municipality and are available for use by the municipality to pay qualified redevelopment costs with respect to the TIF district. Qualified redevelopment costs include, among other items, costs of construction of public works or improvements, costs of rehabilitation of public or private buildings, and costs of land acquisition. Amounts in the special tax allocation fund for a TIF district also may be used to pay debt service on bonds issued by the municipality for qualified redevelopment costs of that district ("TIF Bonds"). To the extent that the tax collections in respect of a TIF district are deposited in the special tax allocation fund and used for qualified redevelopment costs or related debt service, they are not available for other governmental purposes, including paying unrelated general obligation bonds of the municipality.

As of tax year 2017 the City has designated five TIF districts. The total incremental EAV of these districts for this tax year totaled \$77,954,625. The EAV for these districts at the time the districts were so designated (the base or "frozen" value) was \$91,489,225.

EAV of Tax Increment Financing Districts

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Frozen Value	\$100,935,488	\$ 99,927,882	\$ 99,927,882	\$ 91,489,225	\$ 91,489,225
Incremental Value	<u>73,305,912</u>	<u>67,584,148</u>	<u>64,362,312</u>	<u>68,721,151</u>	<u>77,954,625</u>
Total EAV ⁽¹⁾	\$162,748,327	\$157,025,794	\$154,808,491	\$158,901,401	\$168,878,659

⁽¹⁾The Total EAV of the TIF districts located in the City may not equal the sum of the Frozen Value and the Incremental EAV where the current EAV of certain TIF districts is less than the Frozen Value.

Source: Cook County Clerk's Office.

TIF Bonds may, in some cases, also be general obligations of the municipality. In that case general obligation bonds, in addition to their other claims for payment, may have a claim for payment from the amounts on deposit in the special tax allocation fund for that TIF district.

Special Service Areas

Under Illinois law, municipalities may establish special service areas and may levy real property taxes with respect to taxable real property within the special service area to pay costs of special municipal services for the area or to pay debt service on bonds of the municipality issued to provide those special services.

The City has established a number of special service areas for the upgrade of streets and sidewalks in its central business district. Taxes levied and collected with respect to special service areas are not shown as general revenues of the City.

City Property Taxes

The following table shows the collection history for real property taxes levied by the City.

Tax Extensions and Collections

Levy <u>Year</u>	Collection <u>Year</u>	Taxes <u>Extended</u>	Taxes Collected and <u>Distributed</u>	Percent <u>Collected</u>
2017	2018	\$48,494,651	\$45,908,361	94.67%
2016	2017	47,538,529	46,723,572	98.29%
2015	2016	46,394,914	44,974,845	96.94%
2014	2015	45,557,079	44,280,493	97.20%
2013	2014	43,869,798	42,762,685	97.48%
2012	2013	43,330,121	41,776,375	96.41%
2011	2012	43,397,590	42,064,756	96.93%
2010	2011	41,479,398	39,412,004	95.02%
2009	2010	39,779,364	38,018,159	95.57%
2008	2009	38,044,671	36,246,629	95.27%

The following table shows the ten largest real property taxpayers in the City.

Ten Largest Real Property Taxpayers

<u>Taxpayer</u>	<u>Type of Business</u>	2017 Equalized <u>Assessed Values</u>	Percentage of Total <u>City EAV</u>
Orrington TT LLC Golub	Commercial buildings and public parking garage	\$ 30,589,645	1.09%
Rotary International	Non-profit organization	27,015,153	0.96%
McCaffery Interests	Commercial buildings	24,085,133	0.85%
FSP 909 Davis Street	Commercial buildings	20,064,249	0.71%
MB Sherman Highlands	Commercial buildings	17,562,846	0.62%
Northshore University Health	Commercial, healthcare	16,190,838	0.57%
1890 Maple LLC	Apartments	15,850,962	0.56%
Omni Orrington Hotel	Hotel	14,841,112	0.53%
TIAA PK Evanston Inc.	Apartment building, super market, retail store	13,801,338	0.49%
Evanston LLC	Commercial buildings	12,869,296	0.46%
Top Ten Total		<u>\$192,870,473</u>	<u>6.84%</u>
City Total 2017 EAV, including TIF incremental value.		<u>\$2,818,014,745</u>	

Source: Cook County Clerk's Office.

Property tax rates for City purposes, as well as rates for governmental bodies that substantially overlap the City are shown below.

Historic City Tax Rates
(Per \$100 EAV)

<u>Fund</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Corporate	\$ 0.4351	\$ 0.3939	\$ 0.3896	\$ 0.2954	\$ 0.2942
Bond & Interest	0.5468	0.5298	0.4990	0.4234	0.4092
Garbage	--	--	--	--	0.0153
Police Pension	0.3740	0.3810	0.4208	0.3788	0.3775
Fire Pension	0.2809	0.2756	0.3286	0.3007	0.3003
IMRF	0.1225	0.1238	0.1238	0.1018	0.0930
General Assistance	--	0.0613	--	--	--
TOTAL	<u>\$ 1.759</u>	<u>\$ 1.765</u>	<u>\$ 1.762</u>	<u>\$ 1.501</u>	<u>\$ 1.490</u>

Tax Rates for Overlapping Taxing Agencies
(Taxes Billed in 2017 – Per \$100 EAV)

<u>Taxing Agency</u>	<u>2017 Rate</u>
City of Evanston	\$ 1.490
Cook County	0.496
Cook County Forest Preserve District	0.062
Consolidated Elections	0.031
City of Evanston Library Fund	0.247
General Assistance	0.034
Elementary School District No. 65	3.673
Evanston Township High School District No. 202	2.329
Oakton Community College District No. 535	0.232
Metropolitan Water Reclamation District	0.402
North Shore Mosquito Abatement District	0.010
Total - property not in park or special purpose district	<u>\$ 9.006</u>

Source: Cook County Clerk's Office.

Real Property Assessment, Tax Levy, and Collection Procedures

The following is a summary of general real property assessment, tax levy, and collection procedures in the County.

Real Property Assessment. The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within the County, including such property located within the boundaries of the City, except for certain railroad property, pollution control facilities, and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Department of Revenue. For triennial reassessment purposes, Cook County is divided into three districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The City is located in the North Tri and was reassessed for the 2016 tax levy year.

In response to the downturn of the real estate market, the Assessor reduced the 2009 assessed value on suburban residential properties (specifically, those properties located in the South Tri and the North Tri) not originally scheduled for reassessment in 2009. For tax year 2009, each suburban township received an adjustment percentage for tax year 2009, lowering the existing assessed values of all residential properties in such township within a range of 4% to 15%, beginning with the second-installment tax bills payable in the fall of 2010.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. Such classification percentages range from 10% for certain residential, commercial, and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%). In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above.

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the "Board of Review"), which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the circuit court of Cook County (the "Circuit Court") or the Illinois appellate court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

Equalization. After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department of Revenue is required by statute to review the Assessed Valuations. The Department of Revenue establishes an equalization factor (the "Equalization Factor"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the EAV of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department of Revenue, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the "Assessment Base").

Exemptions. The Illinois Property Tax Code, as amended (the "Property Tax Code"), currently provides for a variety of different homestead exemptions ("Homestead Exemptions"). Homestead Exemptions reduce the property tax burden of the recipient while increasing the tax burden for all other taxpayers in the taxing district.

The General (Residential) Homestead Exemption reduces the taxable assessed value of an individual's primary residence by an amount equal to the increase in EAV over the 1977 EAV. The maximum assessment deduction for counties with 3,000,000 or more inhabitants is \$7,000 for taxable years 2012 through 2016 and \$10,000 for taxable years 2017 and thereafter. This exemption may be granted on a pro-rated basis for newly constructed homes based upon the number of days in the tax year the home was occupied by the taxpayer.

The Disabled Persons' Homestead Exemption is an additional exemption available to certain disabled individuals who meet State-mandated guidelines. The exemption reduces the taxable assessed value by an additional \$2,000.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least ten years as of January 1 of the assessment year (or five years if purchased with certain government assistance) and has a household income of \$100,000 or less ("Qualified Homestead Property"). If the taxpayer's annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to residential properties that have been improved or rebuilt in the 2 years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to the fair cash value up to an annual

maximum of \$75,000 for up to four years (or \$25,000 in assessed value, which is 33-1/3% of fair cash value), to the extent the assessed value deduction is attributable solely to such improvements or rebuilding.

There are two additional exemptions for senior citizens. The Senior Citizens Homestead exemption operates annually to reduce the EAV on a senior citizen's home. The maximum reduction for counties with 3,000,000 or more inhabitants is \$5,000 for taxable years 2013 through 2016 and \$8,000 for taxable years 2017 and thereafter. Furthermore, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro-rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and receive an annual income not in excess of \$55,000 through taxable year 2016 and \$65,000 for taxable year 2017 and thereafter. In general, this exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. The exempt amount is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for this exemption, plus the EAV of improvements since such year. Beginning in taxable year 2017, the amount of the exemption is equal to the greater of the amount calculated as described in the previous sentence (as more completely set forth in the Property Tax Code) or \$2,000.

Beginning January 1, 2015, purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the applicable section of the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year, and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster, as defined in the Property Tax Code, occurring in taxable year 2012 or any taxable year thereafter. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to the veteran with a disability.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (i) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (ii) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (iii) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Lastly, in addition to the Homestead Exemptions, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

Tax Levy. As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit.

Extensions. The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the “Warrant Books”) along with the tax rates, the Assessed Valuation, and the EAV. The Warrant Books are the County Collector’s authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

Collections. Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year’s tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the corrected prior year’s tax bill. The second installment covers the balance of the current year’s tax bill, and is based on the then current tax year levy, Assessed Valuation, and Equalization Factor, and reflects any changes from the prior year in those factors. The following table sets forth the second installment penalty date for the last 10 tax levy years in Cook County; the first installment penalty date has been March 1 for all such years.

<u>Tax Levy Year</u>	<u>Second Installment Penalty Date</u>
2008	December 1, 2009
2009	December 13, 2010
2010	November 1, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017
2017	August 1, 2018

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. The County may provide for tax bills to be payable in four installments instead of two. However, the County has not required payment of tax bills in four installments. During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the City promptly credits the taxes received to the funds for which they were levied.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the “Annual Tax Sale”) of unpaid taxes shown on that year’s Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any “automated means.” Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the “Scavenger Sale”), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years’ taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

Truth in Taxation Law. Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing, and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

PENSION AND RETIREMENT OBLIGATIONS⁽¹⁾

Illinois Municipal Retirement Fund

The City contributes to the Illinois Municipal Retirement Fund (“IMRF”), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in the State (other than those covered by the Police or Firefighters' Pension Plan). The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Plan Administration. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required; benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF provides two tiers of pension benefits. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings, for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. The final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of their final rate of earnings, for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96.

Plan Membership. At December 31, 2016, IMRF membership consisted of the following:

Inactive employees or their beneficiaries currently receiving benefits	664
Inactive employees entitled to but not yet receiving benefits	353
Active employees	<u>539</u>
Total	1,556

The IMRF data included in the table above included membership of both the City and the Library.

Contributions. Employees participating in IMRF are required to contribute 4.50% of their annual covered salary to IMRF. The member rate is established by State statute. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2017 was 10.66% of covered payroll.

⁽¹⁾Source: The City; CAFR for fiscal year ended 12/31/2017.

Actuarial Assumptions. The City’s net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2016
Actuarial Cost Method	Entry-age Normal
Asset Valuation Method	Market Value
Inflation Rate	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Cost of Living Adjustments	3.00%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience. Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the City’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 7.50% as well as what the City’s net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	Current Discount Rate		
	1% Decrease (6.50%)	(7.50%)	1% Increase (8.50%)
City	\$41,946,384	\$15,480,181	\$(6,317,096)
Library	4,072,688	1,503,385	(613,344)
Total	\$46,019,072	\$16,983,566	\$(6,930,440)

(The remainder of this page has been left blank intentionally.)

Schedule of Changes in Net Pension Liability and Related Ratios.

Total Pension Liability – Calendar Year Ending December 31, 2016

Service Cost	\$ 3,951,687
Interest	16,947,408
Changes in Benefit Terms	-
Difference Between Expected and Actual Experience	(2,905,680)
Changes of Assumptions	(269,039)
Benefit Payments, including Refunds of Employee Contributions	<u>(12,270,564)</u>
Net Change in Total Pension Liability	5,453,812
Total Pension Liability – Beginning of Year	<u>230,426,570</u>
Total Pension Liability – End of Year	<u>\$235,880,382</u>

Plan Fiduciary Net Position – Calendar Year Ending December 31, 2016

Contributions – Employer	\$ 3,963,856
Contributions – Employee	1,705,636
Net investment income	14,441,739
Benefit payments, including Refunds of Member Contributions	(12,270,564)
Administrative Expense	<u>(142,981)</u>
Net Change in Plan Fiduciary Net Position	7,697,686
Plan Fiduciary Net Position – Beginning	<u>211,199,130</u>
Plan Fiduciary Net Position – Ending	<u>\$218,896,816</u>
Employer Net Pension Liability	<u>\$ 16,983,566</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	92.80%
Covered-Employee Payroll	\$ 37,477,116
City’s Net Pension Liability as a % of Covered-Employee Payroll	45.32%

Schedule of Employer Contributions.

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	% Contributed	Covered Employee Payroll	Contribution as a % of Covered Employee Payroll
2017	\$3,698,900	\$3,695,564	\$ 3,336	99.9%	\$37,514,202	9.9%
2016	3,882,629	3,963,856	(81,227)	102.1%	37,477,116	10.6%
2015	3,977,718	4,018,268	(40,550)	101.0%	37,703,487	10.7%

Police and Firefighters’ Pension Plans

Plan Administration. The Police Pension Plan and Firefighters' Pension Plan are contributory, defined benefit public employee retirement plans administered by the City and a Board of Trustees for each fund. All sworn City police officers and firefighters are participants in the plans. The plans do not issue stand-alone financial reports and they are not included in the report of a public employee retirement system or another entity. The City accounts for the Police Pension and Firefighters' Pension Plans as pension trust funds.

The plans are governed by a five-member pension board. Two members appointed by the City's Council, one elected by retired pension members, and two elected by active members, constitute the pension board.

The Police and Firefighters' Pension Plans are accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized on an expense and liability when due and payable.

For employer contributions, the City’s budget policy is to fund pension plans at the funding level recommended annually by the actuary. The General Fund is used to liquidate the net pension liability.

Benefits Provided. As provided for by State statute, the Police and Firefighters' Pension Funds provide retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police and Firefighters' Pension Funds as provided for by State statute.

Police Pension Plan

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the consumer price index ("CPI"), whichever is less.

Firefighters' Pension Plan

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership. At January 1, 2017, plan membership consisted of the following:

	Police	Firefighters'
Inactive plan members or their beneficiaries currently receiving benefits	177	137
Inactive plan members entitled to but not yet receiving benefits	17	3
Active plan members	<u>165</u>	<u>103</u>
Total	359	243

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2017, the City's contribution was 67.09% of covered payroll.

Participants contribute a fixed percentage of their base salary to the Firefighters' Pension Plan. At December 31, 2017, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must

accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2017, the City's contribution was 79.58% of covered payroll.

Actuarial Assumptions⁽¹⁾. The City's total pension liability was determined by an actuarial valuation performed using the following actuarial methods and assumptions:

	Police	Firefighters'
Actuarial Valuation Date	12/31/2017	12/31/2017
Actuarial Cost Method	Entry-age Normal	Entry-age Normal
Asset Valuation Method	Market Value	Market Value
Inflation Rate	2.50%	2.50%
Salary Increases	7.36% - 3.62%	7.36% - 3.62%
Investment Rate of Return	6.50%	6.50%
Cost of Living Adjustments	3.00% - 1.25%	3.00% - 1.25%

Mortality rates were based on the RP-2000 Combined Healthy Mortality table with a Blue Collar Adjustment, projected to the valuation date using Scale BB; disabled mortality rate is based on RP-2000 Disabled Retiree Mortality table, projected to the valuation date using Scale BB.

Discount Rate⁽¹⁾. The discount rate used to measure both the total police pension liability and the total firefighters' pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contribution will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, both the Police Pension Plan's and the Firefighter's Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity⁽¹⁾. The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the City calculated using the discount rate of 6.50% as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	Current Discount Rate		
	1% Decrease (5.50%)	(6.50%)	1% Increase (7.50%)
Police	\$134,626,063	\$103,897,772	\$ 78,684,576
Firefighters'	111,627,360	89,151,276	70,686,477
Total	\$246,253,423	\$193,049,048	\$149,371,053

(The remainder of this page has been left blank intentionally.)

⁽¹⁾Source: The City; Actuarial Valuation Reports for fiscal year ended 12/31/2017. The values contained in the Actuarial Valuation Reports for fiscal year ended 12/31/2017 assume Investment Rates of Return of 6.50% for both the Police Pension Plan and Firefighters' Pension Plan, which is an adjustment from the values contained in the CAFR for fiscal year ended 12/31/2017, which assumed Investment Rates of Return of 6.25%.

Schedule of Changes in Net Pension Liability and Related Ratios⁽¹⁾.

Total Pension Liability – Calendar Year Ending December 31, 2017	Police	Firefighters'
Service Cost	\$ 3,993,751	\$ 2,813,961
Interest	14,088,889	10,507,435
Changes in Benefit Terms	-	-
Difference Between Expected and Actual Experience	424,390	368,761
Changes of Assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(11,475,943)</u>	<u>(8,608,369)</u>
Net Change in Total Pension Liability	7,031,087	5,080,788
Total Pension Liability – Beginning of Year	<u>218,496,352</u>	<u>163,143,565</u>
Total Pension Liability – End of Year	<u>\$225,527,439</u>	<u>\$168,224,353</u>
Plan Fiduciary Net Position – Calendar Year Ending December 31, 2017		
Contributions – Employer	\$ 10,300,549	\$ 8,205,800
Contributions – Employee	1,521,467	974,992
Net investment income	15,240,680	7,974,296
Benefit payments, including Refunds of Member Contributions	(11,475,943)	(8,609,369)
Administrative Expense	<u>(148,631)</u>	<u>(72,640)</u>
Net Change in Plan Fiduciary Net Position	15,438,122	8,473,079
Plan Fiduciary Net Position – Beginning	<u>106,191,545</u>	<u>70,599,998</u>
Plan Fiduciary Net Position – Ending	<u>\$121,629,667</u>	<u>\$ 79,073,077</u>
Employer Net Pension Liability	<u>\$103,897,772</u>	<u>\$ 89,151,276</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	53.93%	47.00%
Covered-Employee Payroll	\$ 15,352,846	\$ 10,311,920
City's Net Pension Liability as a % of Covered-Employee Payroll	676.73%	864.55%

Schedule of Employer Contributions⁽¹⁾.

Police Pension Plan

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	% Contributed	Covered Employee Payroll	Contribution as a % of Covered Employee Payroll
2017	\$10,237,200	\$10,300,549	\$ (63,349)	100.6%	\$15,352,846	67.1%
2016	9,380,940	9,450,824	(69,884)	100.7%	17,474,672	54.1%
2015	8,257,475	8,804,264	(546,789)	106.6%	14,921,328	59.0%

Firefighters' Pension Plan

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	% Contributed	Covered Employee Payroll	Contribution as a % of Covered Employee Payroll
2017	\$8,148,709	\$8,205,800	\$ (57,091)	100.7%	\$10,311,920	79.6%
2016	7,350,865	7,396,641	(45,776)	100.6%	10,546,779	70.1%
2015	5,903,483	6,385,244	(481,761)	108.2%	10,396,357	61.4%

⁽¹⁾Source: The City; Actuarial Valuation Reports for fiscal year ended 12/31/2017. The values contained in the Actuarial Valuation Reports for fiscal year ended 12/31/2017 assume Investment Rates of Return of 6.50% for both the Police Pension Plan and Firefighters' Pension Plan, which is an adjustment from the values contained in the CAFR for fiscal year ended 12/31/2017, which assumed Investment Rates of Return of 6.25%.

OTHER POSTEMPLOYMENT BENEFITS⁽¹⁾

The City's and Library's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit ("OPEB") for the retirees, commonly referred to as an implicit rate subsidy. The group health insurance plan does not issue a publicly available financial report.

Contribution requirements are established through State laws. The City and Library implicitly contribute the difference between retiree's contributions and unblended rates. Retirees pay 100% of the blended premiums to cover themselves and their covered dependents ranging from \$493 for single coverage to \$1,891 for family coverage. The City pays 100% of health care premiums for police officers and firefighters, their dependents, and their surviving spouses and dependent children if they were injured or killed in the line of duty during an emergency, ranging from \$493 for single coverage to \$1,891 for family coverage. For the year ended December 31, 2017, the City and Library's estimated contribution to the plan is \$832,345. The City's and the Library's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Plan Membership. At December 31, 2016 (the date of last actuarial valuation), membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	87
Terminated employees entitled to but not yet receiving benefits	-
Active employees	<u>729</u>
Total	816

The following table shows the components of the City's annual OPEB cost for the year ended December 31, 2017, the estimated contributions to the plan, and changes in the City's net OPEB obligation to the retiree health plan:

ARC	\$1,271,450
Interest on net OPEB obligation	127,747
Adjustment to Annual Required Contribution	<u>(108,410)</u>
Annual OPEB cost	1,290,787
Contributions made	<u>(822,579)</u>
Change in OPEB obligation	468,208
Net OPEB obligation - Beginning	<u>2,838,835</u>
Net OPEB obligation - Ending	\$3,307,043

Trend Information. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and two years prior were as follows:

Fiscal Year Ending	Annual OPEB Cost	% of OPEB Contributed	Net OPEB Obligation
12/31/2017	\$1,290,787	63.73%	\$3,304,043
12/31/2016	1,287,185	58.89%	2,838,835
12/31/2015	1,086,641	92.27%	2,309,788

Funding Status. As of December 31, 2017, the City's actuarial accrued liability for benefits was \$15,018,773, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$62,745,197, and the percentage of the unfunded actuarial accrued liability to covered payroll was 23.94%.

In the actuarial valuation as of December 31, 2016, the entry-age normal cost method was used. The actuarial assumptions include a 4.5% discount rate and an annual health care cost trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 4.5%. Both rates include a 3.5% price inflation assumption. The actuarial value of retiree health plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. Retiree health plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2016 was 30 years.

⁽¹⁾Source: The City; CAFR for fiscal year ended 12/31/2017.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City and the 501(c)(3) Organizations have covenanted or will covenant to comply with all requirements that must be satisfied in order for the interest on the Series A Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series A Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series A Bonds. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series B Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series B Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series B Bonds.

Subject to compliance by the City and the 501(c)(3) Organizations with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. Subject to the City's compliance with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series B Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals.

In rendering its opinions, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinions represent its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result. The City has agreed to confirm that the 501(c)(3) Organizations are 501(c)(3) organizations and certain other matters prior to entering into use agreements with same.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the prices set forth, or the prices corresponding to the yields set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the City (and the 501(c)(3) Organizations, with respect to the Series A Bonds) comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code, as described above; and (d) the accretion of original issue discount in each year may result in certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department of Revenue, under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as

having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes. See APPENDIX B for the proposed forms of Bond Counsel opinions for the Bonds.

CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements the Rule adopted by the Commission under the Exchange Act. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis, and a summary of other terms of the Undertaking, including termination, amendment, and remedies, are set forth below under "THE UNDERTAKING" and APPENDIX C hereto.

The City, pursuant to issuing its prior bonds, entered into continuing disclosure undertakings (the "Prior Undertakings") to disseminate its audited financial statements and annual financing information (together, the "Annual Report") and to file notice of certain events with respect to such prior bonds to certain information repositories as required by the Rule. The list of events for which the City is required to provide notice includes rating changes on the prior bonds.

The City failed to file its Annual Report for fiscal year 2015 and failed to file its annual financial information for fiscal years 2013 and 2017 within the required timeframe pursuant to the Prior Undertakings for certain of its prior bonds. Further, the City failed to include certain annual financial information in its Annual Report for fiscal year 2013 with respect to certain water system revenue bonds. Notices of such failures have since been filed on EMMA for the City's outstanding prior bonds.

The City failed to file notices of certain rating changes by Moody's on certain of its prior bonds within the required timeframe pursuant to the Prior Undertakings and the Rule. Notices of such rating changes have since been filed on EMMA for the City's outstanding prior bonds.

A failure by the City to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "THE UNDERTAKING – Consequences of Failure of the City to Provide Information" herein. A failure by the City to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the City and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a form of which is attached hereto as APPENDIX C.

Annual Financial Information Disclosure

The City covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below), annually to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. The City is required to deliver such information within 270 days after the last day of the City's fiscal year (currently December 31), beginning with the fiscal year ending December 31, 2018. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the City. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

"Annual Financial Information" means the financial information and operating data of the type contained in the following headings and subheadings of the Official Statement:

- All of the tables under the heading "FINANCES";
- All of the tables under the heading "GENERAL OBLIGATION BONDED INDEBTEDNESS" (other than the table entitled "Total and Scheduled for Abatement General Obligation Debt Service"); and
- The following tables under the heading "REAL PROPERTY TAXATION":
 - "Historic EAV";
 - "EAV by Classification of Property";
 - "Tax Extensions and Collections"; and
 - "Historic City Tax Rates."

"Audited Financial Statements" means the CAFR of the City prepared in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

All or a portion of the Annual Financial Information or Audited Financial Statements may be included by reference to other documents which have been submitted to EMMA. If the information included by reference is contained in an official statement, the official statement must be available from EMMA. The City shall clearly identify each such item of information included by reference.

To the extent that the foregoing are included in or easily derived from the Audited Financial Statements, such information may not necessarily be restated separately under the Annual Financial Information.

Reportable Events Disclosure

The City covenants that it will disseminate in a timely manner, not in excess of ten business days after the occurrence of the Reportable Event (as defined below), Reportable Events disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents filed with EMMA, including financial statements and other externally prepared reports. The "Reportable Events" are:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions, the issuance by the 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 status of the security, or other material events affecting the tax status of the security
- Modifications to the rights of security holders
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event of the City⁽¹⁾
- 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 to any such actions, other than pursuant to its terms, if material
- Appointment of a successor or additional trustee or the change of name of a trustee, if material
- 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 affects security holders, if material⁽²⁾
- 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 reflects financial difficulties⁽²⁾

Consequences of Failure of the City to Provide Information

The City shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the City to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order to cause the City to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Ordinance, and the sole remedy under the Undertaking in the event of any failure of the City to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the City by ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the City, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements 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) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as Bond Counsel).

⁽¹⁾This Reportable Event is considered to occur when any of the following occurs: 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 of 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.

⁽²⁾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) a guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

In the event that the Commission or the MSRB or other regulatory authority approves or requires the Annual Financial Information, Audited Financial Statements, or notices of a Reportable Event to be filed with a central post office, governmental agency, or similar entity other than the MSRB or in lieu of the MSRB, the City shall, if required, make such dissemination to such central post office, governmental agency, or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The City shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of an event, in addition to that which is specifically required by the Undertaking. If the City chooses to include any information from any document or notice of occurrence of an event in addition to that which is specifically required by the Undertaking, the City shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through EMMA or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

BOND RATINGS

The Bonds are rated “__” (__ Outlook) by Moody’s and “__” (__ Outlook) by Fitch. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody’s Investors Service, 99 Church Street, New York, New York 10007; Fitch Ratings, 70 West Madison Street, Chicago, Illinois 60602. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Such ratings are not to be construed as recommendations of the rating agencies to buy, sell, or hold the Bonds, and the ratings assigned by the rating agencies should be evaluated independently.

UNDERWRITING

Bids for the Bonds were received at a competitive public sale on May 16, 2019.

_____ has agreed, subject to the conditions of closing set forth in the notice of sale (the “Notice of Sale”) for the Series A Bonds, to purchase the Series A Bonds at a purchase price of \$____ (consisting of the par amount of the Series A Bonds, plus net original issue premium of \$____, less an underwriter's discount of \$____), plus accrued interest, if any.

_____ has agreed, subject to the conditions of closing set forth in the Series B Bonds Notice of Sale, to purchase the Series B Bonds at a purchase price of \$____ (consisting of the par amount of the Series B Bonds, plus an original issue premium of \$____, less an underwriter's discount of \$____), plus accrued interest, if any.

The Bonds will be offered at the respective initial public offering prices which produce the yields shown on the inside cover page of this Official Statement. After the Bonds are released for sale to the public, the initial public offering prices and other selling terms may from time to time be varied by the Underwriters.

[LITIGATION]

APPENDIX A

**AUDITED ANNUAL FINANCIAL REPORT OF THE CITY OF EVANSTON, IL
FOR THE YEAR ENDED DECEMBER 31, 2017**

The Comprehensive Annual Financial Report

**The City's Comprehensive Annual Financial Report for the year ended December 31, 2017,
is available from EMMA and is hereby incorporated by reference.**

The independent auditor has not been engaged to perform, and has not performed since the date of its report (a portion of which is included herein), any procedures on the financial statements addressed in the report nor on this Official Statement, nor has the independent auditor been asked to give consent to the inclusion of this appendix in this Official Statement.

APPENDIX B

PROPOSED FORMS OF BOND COUNSEL OPINIONS

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the City Council of the City of Evanston, Cook County, Illinois (the “*City*”) passed preliminary to the issue by the City of its fully registered General Obligation Corporate Purpose Bonds, Series 2019A (the “*Bonds*”), to the amount of \$_____, dated the date hereof, due serially on December 1 of the years and in the amounts and bearing interest as follows:

YEAR	AMOUNT (\$)	RATE (%)
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		

the Bonds due on or after December 1, 20___, being subject to redemption prior to maturity at the option of the City as a whole or in part in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 20___, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the City and is payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to compliance by the City and certain 501(c)(3) organizations with certain covenants (the "*Covenants*"), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of the Covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the City Council of the City of Evanston, Cook County, Illinois (the “*City*”) passed preliminary to the issue by the City of its fully registered General Obligation Corporate Purpose Bonds, Series 2019B (the “*Bonds*”), to the amount of \$_____, dated the date hereof, due serially on December 1 of the years and in the amounts and bearing interest as follows:

YEAR	AMOUNT (\$)	RATE (%)
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		

the Bonds due on or after December 1, 20___, being subject to redemption prior to maturity at the option of the City as a whole or in part in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 20___, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the City and is payable from any funds of the City legally available for

such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the City's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such City covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

**CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12**

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by the City of Evanston, Cook County, Illinois (the “*City*”), in connection with the issuance of \$_____ General Obligation Corporate Purpose Bonds, Series 2019A, and \$_____ General Obligation Corporate Purpose Bonds, Series 2019B (together, the “*Bonds*”). The Bonds are being issued pursuant to an ordinance adopted by the City Council of the City on the 22nd day of April, 2019 (as supplemented by the Bond Order authorized therein and executed in connection with the sale of the Bonds, the “*Ordinance*”).

In consideration of the issuance of the Bonds by the City and the purchase of such Bonds by the beneficial owners thereof, the City covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information is defined in the Official Statement.

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the City prepared pursuant to the principles and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Financial Obligation means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated _____, 2019, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the City pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. The City will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the City hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA)

shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. **REPORTABLE EVENTS DISCLOSURE.** Subject to Section 8 of this Agreement, the City hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. **CONSEQUENCES OF FAILURE OF THE CITY TO PROVIDE INFORMATION.** The City shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Ordinance, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance.

7. **AMENDMENTS; WAIVER.** Notwithstanding any other provision of this Agreement, the City by ordinance or resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the City, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements 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) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the City shall,

if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the City shall be terminated hereunder if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The City shall give notice to EMMA in a timely manner if this Section is applicable.

9. DISSEMINATION AGENT. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the City chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The City shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The City shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the City under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By

Mayor

Date: _____, 2019

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the City's fiscal year (currently December 31), beginning with the fiscal year ending December 31, 2018. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the City.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

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 status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, 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. (a) Incurrence of a Financial Obligation of the City, if material, or (b) an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.
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.

^{*} This 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 of 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.

**EXHIBIT III
CUSIP NUMBERS**

SERIES 2019A

YEAR OF MATURITY	CUSIP NUMBER (299228)
---------------------	-----------------------------

SERIES 2019B

YEAR OF MATURITY	CUSIP NUMBER (299228)
---------------------	-----------------------------

APPENDIX D
OFFICIAL NOTICES OF SALE AND BID FORMS

OFFICIAL NOTICE OF SALE

\$13,285,000*

City of Evanston, Cook County, Illinois
General Obligation Corporate Purpose Bonds, Series 2019A
Dated the Date of Delivery

Date, Time and Place. IRREVOCABLE ELECTRONIC BIDS will be received by PFM Financial Advisors LLC, 190 S. LaSalle St., Suite 2000, Chicago, Illinois 60603, financial advisor acting on behalf of the City of Evanston, Cook County, Illinois (the "City"), for all but not part of the City's \$13,285,000* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds"), until [10:15] a.m. (Central Time) on:

May 16, 2019

at which time electronic bids will be retrieved and all bids publicly read. Electronic bids must be submitted through Parity®.

Term of the Bonds. The Bonds will be dated their date of delivery, and will mature December 1 in the years and amounts as follows:

MATURITY SCHEDULE

<u>Year</u>	<u>Amount*</u>
2022	\$ 345,000
2023	365,000
2024	380,000
2025	400,000
2026	420,000
2027	440,000
2028	465,000
2029	485,000
2030	510,000
2031	535,000
2032	560,000
2033	590,000
2034	620,000
2035	650,000
2036	685,000
2037	715,000
2038	755,000
2039	790,000
2040	830,000
2041	870,000
2042	915,000
2043	960,000

Interest on said Bonds will be payable semi-annually on June 1 and December 1, commencing December 1, 2019.

Adjustments to Principal Amounts After Determination of Best Proposal. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. Such adjustments shall be the sole discretion of the City provided that the City or its designee shall only make such adjustments in order to size the Bonds to provide enough funds to effect the project funds, or to establish a debt service structure that is acceptable to the City.

*Preliminary, subject to change.

Term Bond Option. Proposals for the Bonds may contain a maturity schedule providing for a combination of serial and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

Call Feature. The Bonds maturing on December 1, 2030, and thereafter are subject to redemption prior to maturity at the option of the City on December 1, 2029, and any date thereafter, in whole or in part and if in part in such principal amounts and from such maturities as the City shall determine and within any maturity by lot at a redemption price of par plus accrued interest to the date fixed for redemption.

Registration. The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). The City will assume no liability for failure of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds. In the event that the securities depository relationship with DTC for the Bonds is terminated and the City does not appoint a successor depository, the City will prepare, authenticate and deliver, at its expense, fully registered certificated Bonds in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Bonds of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Bonds.

Security and Purpose. The Bonds are general obligations of the City. The principal of and interest on the Bonds will be payable from ad valorem taxes, which shall be levied without limitation as to rate or amount upon all taxable property located in the territory of the City. The Bonds are being issued for the purpose of (i) paying a portion of the cost of the construction and equipment of a new Robert Crown Community Center, Ice Complex, and Library Center; (ii) paying capitalized interest on the Bonds through December 1, 2019; and (iii) paying costs related to the issuance of the Bonds.

Not Bank Qualified. The Bonds will not be designated “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications. Bids shall be received on an interest rate basis in an integral multiple of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). All Bonds of the same maturity shall bear the same interest rate. A rate of interest must be named for each maturity; a zero rate of interest shall not be named; and the premium, if any, must be paid in cash as part of the purchase price. The minimum rate of interest is 5.0% on the December 1, 2030 maturity and later. The maximum rate of interest is 7.0% on all maturities. No supplemental interest shall be specified. Each bid shall offer to purchase all of the Bonds and shall offer a price (payable in federal or other immediately available funds) which is not less than \$13,152,150* (99.0% of par), plus accrued interest to the date of delivery.

Good Faith Deposit. A good faith deposit in the amount of ONE HUNDRED THIRTY TWO THOUSAND EIGHT HUNDRED FIFTY DOLLARS* (\$132,850*) is only required by the successful bidder for the Bonds. The successful bidder for the Bonds is required to submit such Good Faith Deposit payable to the order of the City in the form of a wire transfer in federal funds. Instructions for wiring the Good Faith Deposit are as follows:

Destination:	First Bank and Trust (Evanston, Illinois)
ABA #:	071925538
For credit to:	City of Evanston, Illinois
Account #:	0754460515
Account Name:	Robert Crown Fund

The successful bidder shall submit the Good Faith Deposit within two hours after verbal award is made. The successful bidder should provide as quickly as it is available, evidence of wire transfer by providing the City the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the successful bidder may be rejected and the City may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same. If the successful bidder fails to comply with the Good Faith Deposit requirement as

*Preliminary, subject to change.

described herein, that bidder is nonetheless obligated to pay to the City the sum of \$132,850* as liquidated damages due to the failure of the successful bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the City until the delivery of the Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Bonds or the good faith deposit will be retained by the City as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Bonds in compliance with the terms of the Official Notice of Sale and of its bid. No interest on the good faith deposit will be paid by the City. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Bonds.

Insurance on Bonds. In the event the successful bidder obtains a bond insurance policy for all or a portion of the Bonds, by or on behalf of it or any other member of its underwriting group, the successful bidder is responsible for making sure that disclosure information is provided about the credit enhancement provider (for example, through a wrapper to the Official Statement). The City will cooperate with the successful bidder in this manner. The costs of obtaining any bond insurance policy and the costs of providing disclosure information about the credit enhancement provider shall be paid by the successful bidder. In addition, the successful bidder will be required, as a condition for delivery of the Bonds, to certify that the premium will be less than the present value of the interest expected to be saved as a result of such insurance.

Electronic Bidding. The City assumes no responsibility or liability for electronic bids. If any provisions in this Official Notice of Sale conflict with information provided by Parity®, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

Parity®/IPREO
1359 Broadway, 2nd Floor
New York, New York 10018
(212) 849-5021 phone

Award. Unless all bids are rejected, the Bonds will be awarded to the bidder whose proposal shall result in the lowest true interest cost to the City. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest rate, the City shall determine which proposal shall be accepted, and such determination shall be final. A computation by the bidder of such true interest cost rate contained in any bid shall be for information only and shall not constitute a part of the bid. The purchaser shall pay accrued interest from the date of the Bonds to the date of delivery and payment of the purchase price.

Establishment of the Issue Price. The successful bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City prior to Closing a certificate acceptable to Bond Counsel setting forth the reasonably expected initial public offering price to the public (the “Initial Public Offering Price”), or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, in the form attached hereto as Exhibit A (the “Issue Price Certificate”), with such modifications as may be appropriate or necessary in the reasonable judgment of the successful bidder, the City or Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (“Bond Counsel”). All actions to be taken by the City under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City’s municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City’s municipal advisor.

* Preliminary, subject to change.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event the City receives less than three bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the City intends to treat the initial public offering price to the public of each maturity of the Bonds as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). Consequently, bidders should assume for purposes of making its bid that, if the competitive sale requirements described above are not met, and less than 10% of any maturity has been sold to the public at the initial public offering price, as of the sale date, the bidder will be required to comply with the hold-the offering-price rule described below. The City will advise the apparent winning bidder within one hour of receipt of bids if the hold-the-offering-price rule will apply as to any maturities for which less than 10% has been sold to the public on the sale date at the initial public offering price to the public (the “10% test”). The winning bidder shall notify the City on the sale date as to any maturities for which the 10% test has been met, and shall apply the hold-the-offering-price rule to all other maturities. In the event that the competitive sale requirements are not satisfied, the issue price certificate shall be modified as necessary in the reasonable judgment of Bond Counsel and the City.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds, (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date that the Bonds are awarded by the City to the successful bidder (“Sale Date”) at the initial public offering price set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell any maturity of the Bonds to any person at a price that is higher than the initial public offering price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial public offering price for such maturity.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial public offering price if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The City acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-

the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to

(A) report the prices at which it sells to the public the Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder and in the related pricing wires, and

(ii) any agreement among underwriters relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date the Bonds are awarded by the City to the winning bidder.

Undertakings of the Successful Bidder. The successful bidder will, within 30 minutes after being notified that such firm is the apparent winning bidder of the Bonds, advise the City in writing of the initial public offering price to the public of each maturity of the Bonds. Prior to the delivery of the Bonds, the successful bidder will furnish the Issue Price Certificate to the City. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to execute the Issue Price Certificate.

Delivery. The Bonds will be delivered in typewritten form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository of the Bonds for the establishment of book-entry accounts at the direction of the successful bidder, within approximately 45 days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within 45 days after the date of the sale of the Bonds, the successful bidder may, prior to tender of the Bonds, at its option, be relieved of its obligation under the contract to purchase the Bonds and its good faith check shall be returned, but no interest shall be allowed thereon. Delivery of the Bonds is currently anticipated to be on or about June 10, 2019.

Legal Opinion. The successful bidder will be furnished without cost, the unqualified approving legal opinion of Bond Counsel. By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder consents to and waives any conflict of interest arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

CUSIP Numbers. The City will assume no obligation for the assignment of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon. The City will permit such numbers to be assigned and printed at the expense of the original purchaser, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the Bonds. Application for CUSIP numbers is the obligation of the purchaser. PFM Financial Advisors LLC, the City's municipal advisor, will request the assignment of CUSIP numbers prior to the sale of the Bonds.

Official Statement. Upon the sale of the Bonds, the City will publish an Official Statement in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. Promptly after the sale date, but in no event later than seven business days after such date, the City will provide without cost to the successful bidder a reasonable number of copies of the Official Statement (not to exceed 20 copies). The successful bidder will be responsible for uploading the Official Statement via the EMMA system. The successful bidder agrees to supply to the City all necessary pricing information and any underwriter identification necessary to complete the Official Statement within 24 hours after the award of Bonds.

Certification Regarding Official Statement. The City will deliver, at closing, a certificate, executed by appropriate officers of the City acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the City and the Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Undertaking to Provide Continuing Disclosure. A Continuing Disclosure Undertaking (the "Undertaking") will be delivered at closing setting forth the details and terms of the City's undertaking and the Undertaking is a condition of closing. In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the City will covenant in the Undertaking to provide annual reports and timely notice of certain events for the benefit of holders of the Bonds. The form of the Undertaking is included in the Preliminary Official Statement and in the final Official Statement.

Transcript of Proceedings. A transcript of the proceedings relative to the issuance of the Bonds will be furnished to the successful bidder without cost, including a Closing Certificate stating that there is no litigation pending or threatened affecting the validity of or the security for the Bonds.

Irregularities. The City Council reserves the right to reject any and all bids and to waive any and all irregularities.

Information. The Preliminary Official Statement can be viewed on the worldwide web at www.i-dealprospectus.com or copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the City's financial advisor, PFM Financial Advisors LLC, 190 S. LaSalle St., Suite 2000, Chicago, Illinois 60603, Attention: PFM Financial Advisors LLC – Shannon Jacobson, phone (312) 523-2437, email jacobsons@pfm.com.

* * * * *

OFFICIAL NOTICE OF SALE

\$13,280,000*

City of Evanston, Cook County, Illinois
General Obligation Corporate Purpose Bonds, Series 2019B
Dated the Date of Delivery

Date, Time and Place. IRREVOCABLE ELECTRONIC BIDS will be received by PFM Financial Advisors LLC, 190 S. LaSalle St., Suite 2000, Chicago, Illinois 60603, financial advisor acting on behalf of the City of Evanston, Cook County, Illinois (the “City”), for all but not part of the City’s \$13,280,000* General Obligation Corporate Purpose Bonds, Series 2019B (the “Bonds”), until [10:15] a.m. (Central Time) on:

May 16, 2019

at which time electronic bids will be retrieved and all bids publicly read. Electronic bids must be submitted through Parity®.

Term of the Bonds. The Bonds will be dated their date of delivery, and will mature December 1 in the years and amounts as follows:

MATURITY SCHEDULE

<u>Year</u>	<u>Amount*</u>
2020	\$ 400,000
2021	420,000
2022	445,000
2023	465,000
2024	490,000
2025	515,000
2026	540,000
2027	565,000
2028	595,000
2029	625,000
2030	655,000
2031	685,000
2032	720,000
2033	755,000
2034	795,000
2035	835,000
2036	875,000
2037	920,000
2038	965,000
2039	1,015,000

Interest on said Bonds will be payable semi-annually on June 1 and December 1, commencing December 1, 2019.

Adjustments to Principal Amounts After Determination of Best Proposal. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. Such adjustments shall be the sole discretion of the City provided that the City or its designee shall only make such adjustments in order to size the Bonds to provide enough funds to effect the refunding, or to establish a debt service structure that is acceptable to the City.

*Preliminary, subject to change.

Term Bond Option. Proposals for the Bonds may contain a maturity schedule providing for a combination of serial and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

Call Feature. The Bonds maturing on December 1, 2030, and thereafter are subject to redemption prior to maturity at the option of the City on December 1, 2029, and any date thereafter, in whole or in part and if in part in such principal amounts and from such maturities as the City shall determine and within any maturity by lot at a redemption price of par plus accrued interest to the date fixed for redemption.

Registration. The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). The City will assume no liability for failure of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds. In the event that the securities depository relationship with DTC for the Bonds is terminated and the City does not appoint a successor depository, the City will prepare, authenticate and deliver, at its expense, fully registered certificated Bonds in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Bonds of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Bonds.

Security and Purpose. The Bonds are general obligations of the City. The principal of and interest on the Bonds will be payable from ad valorem taxes, which shall be levied without limitation as to rate or amount upon all taxable property located in the territory of the City. The Bonds are being issued for the purpose of (i) providing for capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2019 in the City’s Capital Improvement Plan, as adopted by the City Council; (ii) paying capitalized interest on the Bonds through December 1, 2019; and (iii) paying costs related to the issuance of the Bonds.

Not Bank Qualified. The Bonds will not be designated “qualified tax-exempt obligations” pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications. Bids shall be received on an interest rate basis in an integral multiple of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). All Bonds of the same maturity shall bear the same interest rate. A rate of interest must be named for each maturity; a zero rate of interest shall not be named; and the premium, if any, must be paid in cash as part of the purchase price. The minimum rate of interest is 5.0% on the December 1, 2030 maturity and later. The maximum rate of interest is 7.0% on all maturities. No supplemental interest shall be specified. Each bid shall offer to purchase all of the Bonds and shall offer a price (payable in federal or other immediately available funds) which is not less than \$13,147,200* (99.0% of par), plus accrued interest to the date of delivery.

Good Faith Deposit. A good faith deposit in the amount of ONE HUNDRED THIRTY TWO THOUSAND EIGHT HUNDRED DOLLARS* (\$132,800*) is only required by the successful bidder for the Bonds. The successful bidder for the Bonds is required to submit such Good Faith Deposit payable to the order of the City in the form of a wire transfer in federal funds. Instructions for wiring the Good Faith Deposit are as follows:

Destination:	First Bank and Trust (Evanston, Illinois)
ABA #:	071925538
For credit to:	City of Evanston, Illinois
Account #:	4012041
Account Name:	Capital Improvements Fund

The successful bidder shall submit the Good Faith Deposit within two hours after verbal award is made. The successful bidder should provide as quickly as it is available, evidence of wire transfer by providing the City the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the successful bidder may be rejected and the City may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same. If the successful bidder fails to comply with the Good Faith Deposit requirement as

*Preliminary, subject to change.

described herein, that bidder is nonetheless obligated to pay to the City the sum of \$132,800* as liquidated damages due to the failure of the successful bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the City until the delivery of the Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Bonds or the good faith deposit will be retained by the City as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Bonds in compliance with the terms of the Official Notice of Sale and of its bid. No interest on the good faith deposit will be paid by the City. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Bonds.

Insurance on Bonds. In the event the successful bidder obtains a bond insurance policy for all or a portion of the Bonds, by or on behalf of it or any other member of its underwriting group, the successful bidder is responsible for making sure that disclosure information is provided about the credit enhancement provider (for example, through a wrapper to the Official Statement). The City will cooperate with the successful bidder in this manner. The costs of obtaining any bond insurance policy and the costs of providing disclosure information about the credit enhancement provider shall be paid by the successful bidder. In addition, the successful bidder will be required, as a condition for delivery of the Bonds, to certify that the premium will be less than the present value of the interest expected to be saved as a result of such insurance.

Electronic Bidding. The City assumes no responsibility or liability for electronic bids. If any provisions in this Official Notice of Sale conflict with information provided by Parity®, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

Parity®/IPREO
1359 Broadway, 2nd Floor
New York, New York 10018
(212) 849-5021 phone

Award. Unless all bids are rejected, the Bonds will be awarded to the bidder whose proposal shall result in the lowest true interest cost to the City. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest rate, the City shall determine which proposal shall be accepted, and such determination shall be final. A computation by the bidder of such true interest cost rate contained in any bid shall be for information only and shall not constitute a part of the bid. The purchaser shall pay accrued interest from the date of the Bonds to the date of delivery and payment of the purchase price.

Establishment of the Issue Price. The successful bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City prior to Closing a certificate acceptable to Bond Counsel setting forth the reasonably expected initial public offering price to the public (the “Initial Public Offering Price”), or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, in the form attached hereto as Exhibit A (the “Issue Price Certificate”), with such modifications as may be appropriate or necessary in the reasonable judgment of the successful bidder, the City or Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (“Bond Counsel”). All actions to be taken by the City under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City’s municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City’s municipal advisor.

* Preliminary, subject to change.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event the City receives less than three bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the City intends to treat the initial public offering price to the public of each maturity of the Bonds as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). Consequently, bidders should assume for purposes of making its bid that, if the competitive sale requirements described above are not met, and less than 10% of any maturity has been sold to the public at the initial public offering price, as of the sale date, the bidder will be required to comply with the hold-the offering-price rule described below. The City will advise the apparent winning bidder within one hour of receipt of bids if the hold-the-offering-price rule will apply as to any maturities for which less than 10% has been sold to the public on the sale date at the initial public offering price to the public (the “10% test”). The winning bidder shall notify the City on the sale date as to any maturities for which the 10% test has been met, and shall apply the hold-the-offering-price rule to all other maturities. In the event that the competitive sale requirements are not satisfied, the issue price certificate shall be modified as necessary in the reasonable judgment of Bond Counsel and the City.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds, (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date that the Bonds are awarded by the City to the successful bidder (“Sale Date”) at the initial public offering price set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell any maturity of the Bonds to any person at a price that is higher than the initial public offering price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial public offering price for such maturity.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial public offering price if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The City acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-

the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to

(A) report the prices at which it sells to the public the Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder and in the related pricing wires, and

(ii) any agreement among underwriters relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date the Bonds are awarded by the City to the winning bidder.

Undertakings of the Successful Bidder. The successful bidder will, within 30 minutes after being notified that such firm is the apparent winning bidder of the Bonds, advise the City in writing of the initial public offering price to the public of each maturity of the Bonds. Prior to the delivery of the Bonds, the successful bidder will furnish the Issue Price Certificate to the City. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to execute the Issue Price Certificate.

Delivery. The Bonds will be delivered in typewritten form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository of the Bonds for the establishment of book-entry accounts at the direction of the successful bidder, within approximately 45 days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within 45 days after the date of the sale of the Bonds, the successful bidder may, prior to tender of the Bonds, at its option, be relieved of its obligation under the contract to purchase the Bonds and its good faith check shall be returned, but no interest shall be allowed thereon. Delivery of the Bonds is currently anticipated to be on or about June 10, 2019.

Legal Opinion. The successful bidder will be furnished without cost, the unqualified approving legal opinion of Bond Counsel. By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder consents to and waives any conflict of interest arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

CUSIP Numbers. The City will assume no obligation for the assignment of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon. The City will permit such numbers to be assigned and printed at the expense of the original purchaser, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the Bonds. Application for CUSIP numbers is the obligation of the purchaser. PFM Financial Advisors LLC, the City's municipal advisor, will request the assignment of CUSIP numbers prior to the sale of the Bonds.

Official Statement. Upon the sale of the Bonds, the City will publish an Official Statement in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. Promptly after the sale date, but in no event later than seven business days after such date, the City will provide without cost to the successful bidder a reasonable number of copies of the Official Statement (not to exceed 20 copies). The successful bidder will be responsible for uploading the Official Statement via the EMMA system. The successful bidder agrees to supply to the City all necessary pricing information and any underwriter identification necessary to complete the Official Statement within 24 hours after the award of Bonds.

Certification Regarding Official Statement. The City will deliver, at closing, a certificate, executed by appropriate officers of the City acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the City and the Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Undertaking to Provide Continuing Disclosure. A Continuing Disclosure Undertaking (the "Undertaking") will be delivered at closing setting forth the details and terms of the City's undertaking and the Undertaking is a condition of closing. In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the City will covenant in the Undertaking to provide annual reports and timely notice of certain events for the benefit of holders of the Bonds. The form of the Undertaking is included in the Preliminary Official Statement and in the final Official Statement.

Transcript of Proceedings. A transcript of the proceedings relative to the issuance of the Bonds will be furnished to the successful bidder without cost, including a Closing Certificate stating that there is no litigation pending or threatened affecting the validity of or the security for the Bonds.

Irregularities. The City Council reserves the right to reject any and all bids and to waive any and all irregularities.

Information. The Preliminary Official Statement can be viewed on the worldwide web at www.i-dealprospectus.com or copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the City's financial advisor, PFM Financial Advisors LLC, 190 S. LaSalle St., Suite 2000, Chicago, Illinois 60603, PFM Financial Advisors LLC – Shannon Jacobson, phone (312) 523-2437, email jacobsons@pfm.com.

BID FORM

\$13,285,000*

**GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019A
CITY OF EVANSTON, COOK COUNTY, ILLINOIS**

**City of Evanston, Illinois
c/o PFM Financial Advisors LLC (Fax: 312/977-1575)**

Sale Date: May 16, 2019

For all or none of the principal amount of \$13,285,000* General Obligation Corporate Purpose Bonds, Series 2019A (the "Bonds") legally issued and as described in the Official Notice of Sale, we will pay the City \$_____ (not less than 99.0% of par) plus accrued interest on the total principal amount of the Bonds to date of delivery, provided the Bonds bear the following interest rates:

<u>Year</u>	<u>Original Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Original Amount*</u>	<u>Rate</u>	<u>Yield</u>
2022	\$345,000	%	%	2033 ⁽¹⁾	\$590,000	%	%
2023	365,000	%	%	2034 ⁽¹⁾	620,000	%	%
2024	380,000	%	%	2035 ⁽¹⁾	650,000	%	%
2025	400,000	%	%	2036 ⁽¹⁾	685,000	%	%
2026	420,000	%	%	2037 ⁽¹⁾	715,000	%	%
2027	440,000	%	%	2038 ⁽¹⁾	755,000	%	%
2028	465,000	%	%	2039 ⁽¹⁾	790,000	%	%
2029	485,000	%	%	2040 ⁽¹⁾	830,000	%	%
2030 ⁽¹⁾	510,000	%	%	2041 ⁽¹⁾	870,000	%	%
2031 ⁽¹⁾	535,000	%	%	2042 ⁽¹⁾	915,000	%	%
2032 ⁽¹⁾	560,000	%	%	2043 ⁽¹⁾	960,000	%	%

⁽¹⁾The minimum rate of interest is 5.0% on the December 1, 2030 maturity and later.

The Bonds mature on December 1 in each of the years as indicated above and interest is payable June 1 and December 1 of each year, commencing December 1, 2019. The Bonds maturing on December 1, 2030, and thereafter are subject to redemption prior to maturity at the option of the City on December 1, 2029, and any date thereafter. The minimum rate of interest is 5.0% on the December 1, 2030 maturity and later. The maximum rate of interest is 7.0% on all maturities.

In making this offer, we accept the terms and conditions as defined in the Official Notice of Sale published in the Preliminary Official Statement dated April __, 2019. In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Bonds on the terms set forth in this bid from and the Official Notice of Sale and is not subject to any conditions, except as permitted by the Official Notice of Sale, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes. All blank spaces of this offer are intentional and are not to be construed as an omission. Our good faith deposit in the amount of \$132,850* will be wired in federal funds to the City within two hours after verbal award is made according to the Official Notice of Sale.

NOT PART OF THE BID
Explanatory Note: According to our computation this bid involves the following:

Net Interest Cost

True Interest Rate (TIC)

Respectfully submitted,

Account Manager

The foregoing offer is hereby accepted by and on behalf of City of Evanston, Cook County, Illinois, this 16th day of May, 2019.

By: _____
Its: _____

By: _____
Its: _____

*Preliminary, subject to change.

BID FORM

\$13,280,000*

**GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2019B
CITY OF EVANSTON, COOK COUNTY, ILLINOIS**

**City of Evanston, Illinois
c/o PFM Financial Advisors LLC (Fax: 312/977-1575)**

Sale Date: May 16, 2019

For all or none of the principal amount of \$13,280,000* General Obligation Corporate Purpose Bonds, Series 2019B (the "Bonds") legally issued and as described in the Official Notice of Sale, we will pay the City \$_____ (not less than 99.0% of par) plus accrued interest on the total principal amount of the Bonds to date of delivery, provided the Bonds bear the following interest rates:

<u>Year</u>	<u>Original Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Original Amount*</u>	<u>Rate</u>	<u>Yield</u>
2020	\$400,000	%	%	2030 ⁽¹⁾	\$ 655,000	%	%
2021	420,000	%	%	2031 ⁽¹⁾	685,000	%	%
2022	445,000	%	%	2032 ⁽¹⁾	720,000	%	%
2023	465,000	%	%	2033 ⁽¹⁾	755,000	%	%
2024	490,000	%	%	2034 ⁽¹⁾	795,000	%	%
2025	515,000	%	%	2035 ⁽¹⁾	835,000	%	%
2026	540,000	%	%	2036 ⁽¹⁾	875,000	%	%
2027	565,000	%	%	2037 ⁽¹⁾	920,000	%	%
2028	595,000	%	%	2038 ⁽¹⁾	965,000	%	%
2029	625,000	%	%	2039 ⁽¹⁾	1,015,000	%	%

⁽¹⁾The minimum rate of interest is 5.0% on the December 1, 2030 maturity and later.

The Bonds mature on December 1 in each of the years as indicated above and interest is payable June 1 and December 1 of each year, commencing December 1, 2019. The Bonds maturing on December 1, 2030, and thereafter are subject to redemption prior to maturity at the option of the City on December 1, 2029, and any date thereafter. The minimum rate of interest is 5.0% on the December 1, 2030 maturity and later. The maximum rate of interest is 7.0% on all maturities.

In making this offer, we accept the terms and conditions as defined in the Official Notice of Sale published in the Preliminary Official Statement dated April __, 2019. In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Bonds on the terms set forth in this bid from and the Official Notice of Sale and is not subject to any conditions, except as permitted by the Official Notice of Sale, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes. All blank spaces of this offer are intentional and are not to be construed as an omission. Our good faith deposit in the amount of \$132,800* will be wired in federal funds to the City within two hours after verbal award is made according to the Official Notice of Sale.

NOT PART OF THE BID

Explanatory Note: According to our computation this bid involves the following:

Net Interest Cost

True Interest Rate (TIC)

Respectfully submitted,

Account Manager

The foregoing offer is hereby accepted by and on behalf of City of Evanston, Cook County, Illinois, this 16th day of May, 2019.

By: _____
Its: _____

By: _____
Its: _____

*Preliminary, subject to change.