

**ORDINANCE NUMBER 50-0-93**

AN ORDINANCE providing for the issuance of \$46,820,000 General Obligation Bond Anticipation Bonds, Series 1993, of the City of Evanston, Cook County, Illinois, and providing for the security for and payment of said bonds.

WHEREAS the City of Evanston, Cook County, Illinois (the "City"), has a population in excess of 25,000 as determined by the last official census and, accordingly, pursuant to the provisions of the 1970 Constitution of the State of Illinois and particularly Article VII, Section 6(a) thereof, the City 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; and

WHEREAS pursuant to the provisions of said Section 6 of Article VII of the 1970 Constitution, the City has the power to incur debt payable from ad valorem tax receipts maturing within 40 years from the time it is incurred and without prior referendum approval; and

WHEREAS the City has considered an updated Capital Improvement Plan for the years 1993 through 1997, and it is deemed by the City Council to be necessary and advisable and in the best interests of the inhabitants of the City to obtain funds to pay a portion of the costs of certain capital projects set forth in the Plan, more particularly itemized as follows: (A) Phase III Sewer Improvements (Main Street Tunnel) ("*Phase III Sewer*") at an estimated cost of \$22,175,000; (B) Completion of the Evanston Public Library ("*Library*"), plus capitalized interest on that portion of the bonds necessary for such costs through final maturity, at an estimated cost of \$17,895,000; and (C) Redevelopment Project Costs ("*Redevelopment*") at the Howard/Hartrey Redevelopment Project Area, plus capitalized interest on that portion of the bonds necessary for such costs through final maturity, at an

estimated cost of \$6,750,000 (collectively, the "1993 Capital Improvements") and subject to amendment for such other corporate purposes as the City Council may determine as hereinafter provided; and

WHEREAS the estimated cost to the City of the 1993 Capital Improvements is the sum of \$46,820,000, plus the estimated available amount of interest earnings on said sum prior to expenditure; and

WHEREAS it is necessary for that purpose that a sum to pay such costs be borrowed at this time and in evidence of such indebtedness general obligation bonds of the City be issued in the principal amount of \$46,820,000, and that such indebtedness be incurred in accordance with the home rule powers of the City, as aforesaid, and without submitting the question of incurring such indebtedness to the electors of said City for their approval; and

WHEREAS in order to accommodate the borrowing program of the City, including projected means of repayment and levels of anticipated debt service, the City Council deems it necessary and advisable to issue such bonds in the form of bond anticipation bonds, having the intent initially to provide short term capital financing, to be refunded over the course of the next five years (to maturity) with the proceeds of long term capital bonds;

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.* In addition to such other words and terms used and defined in this ordinance, the following words and terms used in this Ordinance shall have the following meanings, unless, in either case, the context or use clearly indicates another or different meaning is intended:

"Act" means the Illinois Municipal Code, as supplemented and amended, and the home rule powers of the City under Section 6 of Article VII of the Illinois

Constitution of 1970. In the event of conflict between the provisions of said code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said code.

*"Bond"* or *"Bonds"* means one or more, as applicable, of the \$46,820,000 General Obligation Bond Anticipation Bonds, Series 1993, authorized to be issued by this Ordinance.

*"Bond Order"* means the Bond Order as authorized to be executed by the Designated Officials of the City as set forth in Section 13 of this Ordinance and by which the final terms of the Bonds will be established.

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

*"Bond Registrar"* means American National Bank and Trust Company of Chicago, Chicago, Illinois, a bank having trust powers, or a successor thereto or a successor designated as bond registrar hereunder.

*"City"* means the City of Evanston, Cook County, Illinois.

*"City Council"* means the City Council of the City.

*"Code"* means the Internal Revenue Code of 1986.

*"Debt Service Fund"* means the Debt Service Fund established and defined in Section 13 of this Ordinance.

*"Depository"* means Midwest Securities Trust Company, an Illinois limited trust company, its successors, or a successor depository qualified to clear securities under applicable state and federal laws.

*"Designated Officials"* means the City Manager and Finance Director of the City, acting together.

*"Financial Advisor"* means R.V. Norene & Associates, Inc., the financial advisor to the City for the sale of the Bonds.

*"Long Term Bonds"* means the various series of general obligation corporate purpose bonds to be issued over the next five years to refund the Bonds.

*"Ordinance"* means this Ordinance, numbered 50-0-93, and passed by the City Council on the 13th day of April 1993.

*"Paying Agent"* means American National Bank and Trust Company of Chicago, Chicago, Illinois, a bank having trust powers, or a successor thereto or a successor designated as paying agent hereunder.

*"Project Fund"* means the Project Fund as established and defined in Section 13 of this Ordinance.

*"Tax-exempt"* means, with respect to the Bonds, the status of interest paid and received thereon as not includible in the gross income of the owners thereof under the Code for federal income tax purposes except to the extent that such interest will be taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations, in computing the environmental tax imposed on certain corporations and in computing the "branch profits tax" imposed on certain foreign corporations.

*"1993 Capital Improvements"* means such improvements as described and defined as such in the preambles to this Ordinance.

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

*Section 3. Determination To Issue Bonds; Authorization of Long Term Bonds.* It is necessary and in the best interests of the City to acquire and construct the 1993 Capital Improvements for the public health, safety and welfare and to pay all related costs and expenses incidental thereto, and to borrow money and issue the Bonds for such purposes. It is hereby found and determined that such borrowing of money is for a proper public purpose or purposes and is in the public interest, and is authorized by Article VII, Section 6 of the Illinois Constitution.

The Long Term Bonds necessary to refund the Bonds so as to provide reasonable long term financing for the 1993 Capital Improvements are hereby authorized to be issued at such times and upon such terms as the City Council may hereafter determine.

*Section 4. Bond Details.* There shall be issued and sold the Bonds in the aggregate principal amount of \$46,820,000. The Bonds shall each be designated "*General Obligation Bond Anticipation Bond, Series 1993*"; be dated the date of actual delivery thereof (the "*Dated Date*"); and shall also bear the date of authentication thereof. The Bonds shall be in fully registered book-entry form (hereinafter "*Book Entry Form*"), shall be in denominations of \$5,000 or integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), shall be numbered consecutively in such fashion as shall be determined by the Bond Registrar, and shall mature serially on June 1 of the years and in the amounts as follows (subject to the right of prior redemption hereinafter stated):

YEAR	AMOUNT (\$)
1994	27,150,000
1995	3,635,000
1996	8,865,000
1997	5,495,000
1998	1,675,000

Each Bond shall bear interest, at a rate not to exceed 6% per annum, from the later of its Dated Date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such 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 on December 1, 1993. So long as the Bonds are held in Book Entry Form as hereinafter more specifically set forth, interest on each Bond shall be paid to the Depository by check or draft or electronic funds transfer as may be agreed by the Finance Director, Paying Agent and the Depository; in the event the Bonds should ever become available in physical form to registered owners other than the Depository, interest on each Bond shall be paid by check or draft of the Paying Agent, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable record date. The applicable record date is the 15th day of the month preceding any regular interest payment date and the 15th day preceding any other interest payment date which may be occasioned by a redemption of Bonds on a day other than a regular interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal corporate trust office of the Paying Agent or at successor Paying Agent and address.

*Section 5. 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 the Bonds. Upon

initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of "Kray & Co.", or any successor thereto, as nominee of the Depository. All of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of Kray & Co., as nominee of the Depository. The Finance Director and the Paying Agent and Bond Registrar are authorized to execute and deliver on behalf of the City such letters to or agreements with the Depository as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "*Representation Letter*"). Without limiting the generality of the authority given with respect to entering into such Representation Letter, 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 Kray & Co., as nominee of the Depository, the Finance Director and the Paying Agent and Bond Registrar shall have no 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 and the Paying Agent and Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, Kray & Co., 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, 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. Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new nominee in place of Kray & Co., and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the applicable record date, the name "*Kray & Co.*" in this Ordinance shall refer to such new nominee of the Depository.

In the event that (a) the City determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the City, the Paying Agent and Bond Registrar and the Depository evidenced by the Representation Letter 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 the Bonds that they be able to obtain certificated Bonds, the City shall notify the Depository and the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Kray & Co., as nominee of the Depository. The City may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, 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 shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof. Notwithstanding any other provision of



this Ordinance to the contrary, so long as any Bond is registered in the name of Kray & Co., as nominee of the Depository, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

*Section 6. Execution; Authentication.* The Bonds shall be executed on behalf of the City by the manual or duly authorized facsimile signature of the incumbent Mayor as of the date of the execution of the Bonds, and attested by the manual or duly authorized facsimile signature of its City Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof 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 hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

*Section 7. Optional Redemption.* Each maturity of the Bonds is subject to redemption at the option of the City, from any available funds, in whole or in part on any

date on or after March 1 of the year of such maturity (*i.e.*, for the Bonds due June 1, 1996, on or after March 1, 1996; for the Bonds due June 1, 1997, on or after March 1, 1997; and so on), and if less than an entire maturity, in integral multiples of \$5,000, selected by lot by the Bond Registrar as hereinafter provided, at the redemption price of par plus accrued interest to the date fixed for redemption.

*Section 8. Redemption Procedure.* The City shall, at least 45 days prior to the 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 of Bonds of each maturity to be redeemed. For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 60 days prior to the redemption date by the Bond Registrar for the Bonds 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 promptly notify the City and the Paying Agent 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 registered or certified 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 particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds 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 principal corporate trust office of the Paying Agent.

Such additional notice and information as may be agreed upon with the Depository shall also be given so long as the Bonds are held by the Depository.

Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, 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. 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.

Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

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

In addition to the foregoing notice, further notice shall be given by the Bond Registrar on behalf of the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Bonds being redeemed.

Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now including Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois and Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services, chosen in the discretion of the Bond Registrar, that disseminate notice of redemption of obligations such as the Bonds.

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.

As part of their respective duties hereunder, the Bond Registrar and Paying Agent shall prepare and forward to the City a statement as to notice given with respect to each redemption together with copies of the notices as mailed and published.

*Section 9. Registration of Bonds; Persons Treated as Owners.* The City shall cause books (the "*Bond Register*") for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond

Registrar in the City of Chicago, Illinois, which is hereby constituted and appointed the registrar of the City for the Bonds. The City is authorized to prepare, and the Bond Registrar or such other agent as the City may designate shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

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 principal corporate trust office of the Bond Registrar, 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 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 a 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 maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized

principal amount of Bonds for such 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.

*Section 10. Form of Bond.* The Bonds shall be in substantially the form hereinafter set forth; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then the second paragraph of the front side of the Bond and the legend "See Reverse Side for Additional Provisions" shall be omitted and paragraphs on the reverse side of the Bond shall be inserted immediately after the first paragraph on the front side.

[Form of Bond - Front Side]

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

**UNITED STATES OF AMERICA**

**STATE OF ILLINOIS**

**COUNTY OF COOK**

**CITY OF EVANSTON**

**GENERAL OBLIGATION BOND ANTICIPATION BOND**

**SERIES 1993**

See Reverse Side  
for Additional  
Provisions.

Interest  
Rate:

Maturity  
Date:

Dated  
Date:

CUSIP:

Registered Owner:

Principal Amount

Dollars

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 (subject to right of prior redemption as hereinafter stated), 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



December 1, 1993, until the 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 principal corporate trust office of American National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, as paying agent (the "*Paying Agent*"). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by American National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, as bond registrar (the "*Bond Registrar*"), at the close of business on the applicable Record Date (the "*Record Date*"). The applicable record date is the 15th day of the month preceding any regular interest payment date and the 15th day preceding any other interest payment date which may be occasioned by a redemption of Bonds on a day other than a regular interest payment date. Interest shall be paid by check or draft of the Paying Agent, 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 Kray & Co., as nominee, or successor for so long as this Bond is held by Midwest Securities Trust Company, Chicago, Illinois, the Depository, or nominee, in book-entry only form as provided for same.

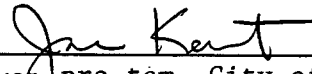
Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

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, 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

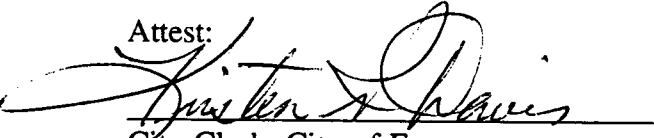
City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the security and payment for the Bonds, including the pledge of the full faith and credit of the City and the authorization of refunding bonds to refund the Bonds (as herein defined).

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.

  
\_\_\_\_\_  
Mayor pro tem, City of Evanston  
Cook County, Illinois

Attest:

  
\_\_\_\_\_  
City Clerk, City of Evanston  
Cook County, Illinois

[SEAL]

Date 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 Bond Anticipation Bonds, Series 1993, of the City of Evanston, Cook County, Illinois

Bond Registrar and Paying Agent:

American National Bank and Trust  
Company of Chicago  
Chicago, Illinois

American National Bank and Trust  
Company of Chicago  
as Bond Registrar

By \_\_\_\_\_  
Authorized Officer

[Form of Bond - Reverse Side]

This bond is one of a series of bonds (the "*Bonds*") in the aggregate principal amount of \$46,820,000 issued by the City for the purpose of paying the costs of the 1993 Capital Improvements and of paying expenses incidental thereto, all as described and defined in the ordinance authorizing 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 (such code and powers being the "*Act*"), and with the Ordinance, which has been duly passed by the City Council approved by the Mayor of the City, and published, in all respects as by law required.

This 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 the Ordinance. Upon surrender for transfer or exchange of this Bond at the principal corporate trust office of the Bond

Registrar in the City of Chicago, Illinois, 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 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 a portion of which has been called for redemption.

Each maturity of the Bonds is subject to redemption at the option of the City, from any available funds, in whole or in part on any date on or after March 1 of the year of such maturity (*i.e.*, for the Bonds due June 1, 1996, on or after March 1, 1996; for the Bonds due June 1, 1997, on or after March 1, 1997; and so on), and if less than an entire maturity, in integral multiples of \$5,000, selected by lot by the Bond Registrar, at the redemption price of par plus accrued interest to the date of redemption.

Unless waived by the Registered Owner of Bonds to be redeemed, notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by registered or certified 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. 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.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, 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. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

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

**ASSIGNMENT**

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

[Here insert identifying number such as  
TID, SSN, or other]

---

---

(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 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 11. Security; Payment.* The security for the payment of the Bonds shall be as follows: (A) the proceeds of the Bonds as and to the extent not committed by contract for expenditure on the 1993 Capital Improvements; (B) the proceeds of the Long Term Bonds or any short term financing which may be utilized by the City to refund the Bonds at the time Bonds become due; and (C) the full faith and credit of the City, including the moneys in the Corporate Fund and the levy of taxes, if deemed necessary, but this covenant shall *not* require the levy of taxes in such manner as to pay the Bonds in a timely fashion, the anticipated means of payment being, as discussed in the above text, the Long Term Bonds.

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 security for the Bonds or the ability of the City either to issue the Long Term Bonds or to levy and collect taxes, if necessary, to pay the Bonds.

*Section 12. Sale of Bonds; Bond Order.* The Designated Officials are hereby authorized to proceed, without any further authorization or direction whatsoever from the City Council, to sell and deliver the Bonds upon the terms as prescribed in this Section.

The Bonds shall be sold and delivered to the best bidder at public sale (the "Underwriters") at the price of not less than 99.5% of the par value of the principal amount thereof, plus accrued interest to the date of delivery. Such sale shall be made upon the advice (in the form of a written certificate or report) of the Financial Advisor that the terms of the Bonds are fair and reasonable in view of current conditions in the bond markets.

Nothing in this Section shall require the Designated Officials to sell the Bonds if in their judgment, aided by the Financial Advisor, the conditions in the bond markets shall have markedly deteriorated from the time of adoption thereof, but the Designated Officials shall have the authority to sell the Bonds in any event so long as the limitations set forth in this Ordinance and the conditions of this Section shall have been met.

Upon the sale of the Bonds, the Designated Officials 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 as may be necessary, including, without limitation, the Bond Order, Preliminary Official Statement, Official Statement, Bond Purchase Contract (as hereinafter defined), and closing documents. Prior to the execution and delivery of any such Bond Purchase Contract, the Designated Officials shall

find and determine that no person holding any office of the City either by election or appointment, is in any manner interested either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation in said Contract with the Underwriters for the purchase of the Bonds.

The distribution of a Preliminary Official Statement relating to the Bonds is hereby in all respects authorized and approved, and the proposed use by the Underwriters 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 hereby approved.

A bond purchase contract for the sale of the Bonds to the Underwriters (the "*Bond Purchase Contract*"), as comprised of the Official Notice of Sale and Official Bid Form, is hereby in all respects authorized and approved.

Upon the sale of the Bonds, the Designated Officials shall prepare a Bond Order, which shall include the pertinent details of sale as provided herein, and such shall be entered into the records of the City and made available to all City Council members at the next public meeting thereof.

*Section 13. Creation of Funds and Appropriations.* Bond proceeds and other funds of the City as noted are hereby appropriated as follows:

A. Any premium received on the Bonds shall be and is hereby appropriated for the purpose of paying the first interest due on the Bonds and to such end is hereby ordered to be deposited into the "General Obligation Bond Anticipation Bonds, Series 1993, Debt Service Fund" (the "*Debt Service Fund*"), hereby created, which shall be the fund for the payment of principal of and interest on the Bonds.

B. \$22,750,000 of the Bonds due June 1, 1994, are allocable to the Phase III Sewer, and amounts to pay interest thereon are hereby appropriated from the City's



sewer use surcharge, and transfers to the Debt Service Fund for such purpose are hereby authorized. The remaining interest on the Bonds shall be payable either by transfer from the Project Fund hereinbelow established as and when needed or be payable from the proceeds of Long Term Bonds or other refinancing as the City Council may determine.

C. The principal proceeds of the Bonds shall be set aside in a separate fund, hereby created, and designated as the "1993 Capital Project Fund" (the "Project Fund"), hereby created, and be used to pay costs of the 1993 Capital Improvements, including costs of issuance of the Bonds, and interest on the Bonds as aforesaid. Alternatively, the Comptroller may allocate such proceeds to one or more related project funds of the City already in existence; *provided, however*, that this shall not relieve the Comptroller of the duty to account for the proceeds as herein provided. (Any such one or more funds shall also be referred to hereinafter, collectively, as the "Project Fund".) The Comptroller shall schedule investments in the Project Fund so as to accommodate the transfer of moneys to the Debt Service Fund so as timely to pay interest on the Bonds issued for the Redevelopment and the Library. The City Council reserves the right, as it becomes necessary from time to time, to revise the list of projects hereinabove set forth, 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 limitations of the Act and to the tax covenants set forth herein.

*Section 14. Not Private Activity Bonds.* None of the Bonds is a "private activity bond" as defined in Section 141(a) of the Code. In support of such conclusion, the City certifies, represents and covenants as follows:

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

B. No direct or indirect payments are to be made on any Bond with respect to any private business use by any person other than a state or local governmental unit.

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

D. No user of the infrastructure of the City to be improved as part of the 1993 Capital Improvements, other than the City or another governmental unit, will use the same on any basis other than the same basis as the general public; and no person, other than the City or another governmental unit, will be a user of such infrastructure as a result of (i) ownership or (ii) actual or beneficial use pursuant to a lease, a management or incentive payment contract, or (iii) any other arrangement.

*Section 15. General Arbitrage Covenants.* The City represents and certifies as follows with respect to the Bonds:

A. With respect to the 1993 Capital Improvements (hereinafter also referred to as the "*Project*"), the City has heretofore incurred, or within six months after delivery of the Bonds expects to incur, substantial binding obligations to be paid for with money received from the sale of the Bonds, said binding obligations comprising binding contracts for the Project in not less than the amount of \$100,000.

B. More than 85% of the proceeds of the Bonds will be expended on or before three years from the date when issued for the purpose of paying the costs of the Project, said date being within three years following the date of issue of the Bonds.

C. All of the principal proceeds of the Bonds, and investment earnings thereon, will be used, needed and expended for the purpose of paying the costs of the Project, including expenses incidental thereto.

D. Work on the Project is expected to proceed with due diligence to completion.

E. Except for proceeds of the Bonds in the Project Fund allocable to capitalized interest and the Bond Fund, the City has not created or established and will not create or establish any sinking fund, reserve fund or any other similar fund to provide for the payment of the Bonds. The Bond Fund has been established and will be funded in a manner primarily to achieve a proper matching of revenues and debt service, and will be depleted at least annually to an amount not in excess of 1/12th the particular annual debt service on the Bonds. Money deposited into the Bond Fund will be spent within a 13-month period beginning on the date of deposit, and investment earnings in the Bond Fund will be spent or withdrawn from the Bond Fund within a one-year period beginning on the date of receipt.

F. Amounts of money related to the Bonds required to be invested at a yield not materially higher than the yield on the Bonds, as determined pursuant to such tax certifications or agreements as the City officers may make in connection with the issuance of the Bonds, shall be so invested; and appropriate City officers are hereby authorized to make such investments.

G. The City has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as a bond issuer which may certify bond issues under Treasury Regulations Section 1.103-13 (a)(2)(ii) (1979).

The City further certifies and covenants as follows with respect to the requirements of Section 148(f) of the Code, relating to the rebate of "excess arbitrage profits" (the "*Rebate Requirement*") to the United States:

H. Unless an applicable exception to the Rebate Requirement is available to the City, the City will meet the Rebate Requirement.

I. Relating to applicable exceptions, either of the Designated Officers is hereby authorized to make such elections under the Code as either such officer shall deem reasonable and in the best interests of the City. If such election may result in a "penalty in lieu of rebate" as provided in the Code, and such penalty is incurred (the "*Penalty*"), then the City shall pay such Penalty.

J. The officers of the City shall cause to be established, at such time and in such manner as they may deem necessary or appropriate hereunder, a "General Obligation Bond Anticipation Bonds, Series 1993, Rebate [or Penalty, if applicable] Fund" (the "*148 Compliance Fund*") for the Bonds, and such officers shall further, not less frequently than annually, cause to be transferred to the 148 Compliance Fund the amount determined to be the accrued liability under the Rebate Requirement or Penalty. Said officers shall cause to be paid to the U.S., without further order or direction from the City Council, from time to time as required, amounts sufficient to meet the Rebate Requirement or to pay the Penalty.

K. Interest earnings in the Project Fund and the Bond Fund are hereby authorized to be transferred, without further order or direction from the City Council, from time to time as required, to the 148 Compliance Fund for the purposes herein provided; and proceeds of the Bonds and other funds of the City are also hereby authorized to be used to meet the Rebate Requirement or to pay the Penalty,

but only if necessary after application of investment earnings as aforesaid and only as appropriated by the City Council.

The City also certifies and further covenants with the purchasers and registered owners of the Bonds from time to time outstanding that moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Code Section 148 and any lawful regulations promulgated thereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised.

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

*Section 17. Further Tax Covenants.* The City agrees to comply with all provisions of the present Code which, if not complied with by the City, would cause the Bonds not to be Tax-exempt. In furtherance of the foregoing provisions, but without limiting their generality, the City agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by counsel approving the Bonds; (c) to consult with such counsel and to comply with such advice as may be given; (d) to 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 18. Reimbursement.* None of the proceeds of the Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the City prior to the date hereof except architectural or engineering costs incurred prior to commencement of any of the 1993 Capital Improvements or expenditures for which an intent to reimburse it as properly declared under Treasury Regulations Section 1.103-18. This Ordinance is in itself a declaration of official intent under Treasury Regulations Section 1.103-18 as to all costs of the 1993 Capital Improvements paid after the date hereof and prior to issuance of the Bonds.

*Section 19. Opinion of Counsel Exception.* The City reserves the right to use or invest moneys in connection with the Bonds in any manner, or to make changes in the 1993 Capital Improvements list, or to use the City infrastructure acquired, constructed or improved as part of the 1993 Capital Improvements in any manner, notwithstanding the representations and covenants in Sections 14 through 18 herein, provided it shall first have received an opinion from an attorney or a firm of attorneys of nationally recognized standing in matters pertaining to Tax-exempt bonds to the effect that use or investment of such moneys or the changes in or use of such infrastructure as contemplated will not result in loss or impairment of Tax-exempt status for the Bonds.

*Section 20. Pertaining to the Bond Registrar.* If requested by the Bond Registrar or the Paying Agent, or both, the Designated Officers or the Mayor and City Clerk are authorized to execute the Bond Registrar's or the Paying Agent's standard form of agreement between the City and the Bond Registrar (Paying Agent) with respect to the obligations and duties of such parties hereunder. Subject to modification by the express terms of any such agreement, the Bond Registrar and Paying Agent for their respective capacities agree as follows:

A. to act as bond registrar, authenticating agent, paying 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 fullest extent permitted by law;

C. to cancel and/or destroy Bonds which have been paid at maturity, upon redemption or submitted for transfer or exchange;

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 Clerk of the City is hereby directed to file a copy of this Ordinance with the Bond Registrar and Paying Agent.

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

The Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing the certificate of authentication on any Bonds, and by such execution the Bond Registrar shall be deemed to have certified to the City that it has all requisite power to accept and has accepted such duties and obligations not only with respect

to the Bond so authenticated but with respect to all the Bonds. The Bond Registrar and Paying Agent are the agents of the City and shall not be liable in connection with the performance of duties except for their own negligence or willful wrongdoing. The Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on the Bonds.

The City may remove the Bond Registrar or the Paying Agent at any time. In case at any time the Bond Registrar or Paying Agent shall resign, shall be removed, shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Bond Registrar or Paying Agent or of the property thereof shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or Paying Agent or of the property or affairs thereof, the City covenants and agrees that it will thereupon appoint a successor Bond Registrar or Paying Agent, or both, as may be applicable. The City shall mail notice of any such appointment made by it to each registered owner of any Bond within twenty days after such appointment. Any Bond Registrar or Paying Agent appointed under the provisions of this Section shall be a bank, trust company, or national banking association maintaining its principal corporate trust office in the City of Chicago, Illinois, or the Borough of Manhattan, City and State of New York.

*Section 21. Defeasance.* Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Paying Agent to pay all principal and interest due thereon, or (c) for which sufficient United States funds and direct United States Treasury obligations have been deposited with a bank or trust company authorized to keep trust accounts, taking into account investment earnings on such obligations, all principal of and interest on Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any



lien on or right to receive or be paid from the moneys pledged 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 the Bonds; and payment, registration, transfer, and exchange; are expressly continued for all Bonds whether deemed outstanding Bonds or not.

*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 City Council.

*Section 23. Superseder and Effective Date.* All ordinances, resolutions and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage, approval and publication.

AYES Aldermen Fiske, Newman, Drummer, Davis, Brady, Esch, Heydemann,  
Washington, Kent, Moran, Nelson, Wollin, Engelman, Rainey, Lanyon, Feldman and Warshaw.

NAYS: None

ABSENT: Alderman Paden

ADOPTED: April 13, 1993

APPROVED: April 17, 1993

Joe Kent  
Mayor pro tem, City of Evanston  
Cook County, Illinois

RECORDED In City Records: April 20, 1993.

PUBLISHED in pamphlet form by authority of the City Council on April 20, 1993.

Attest:

\_\_\_\_\_  
City Clerk, City of Evanston  
Cook County, Illinois