
ORDINANCE NUMBER 32-O-96

AN ORDINANCE providing for the issuance of \$18,595,000 General Obligation Corporate Purpose Bonds, Series 1996, of the City of Evanston, Cook County, Illinois, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

Adopted by the City Council
on the 9th day of April 1996.

Published in Pamphlet Form by the
Authority of the City Council on the
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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 a Capital Improvement Plan (the "*Plan*"), which has been reviewed and revised annually, and is currently in effect for the years 1996 through 1999; and

WHEREAS pursuant to a previous plan, the City has previously borrowed money and issued its \$46,820,000 General Obligation Bond Anticipation Bonds, Series 1993 (the "*Series 1993 Bond Anticipation Bonds*"), to obtain funds to pay a portion of the costs of certain capital projects as set forth in such plan, more particularly itemized as follows: (A) Phase III Sewer Improvements (Main Street Tunnel) ("*Phase III Sewer*"); (B) Completion of the Evanston Public Library ("*Library*"); and (C) redevelopment project costs in the Howard/Hartrey Redevelopment Project Area ("*Howard-Hartrey*"); and

WHEREAS it is deemed by the City Council to be necessary and advisable and in the best interests of the inhabitants of the City to refund and provide long-term financing for a portion of the Series 1993 Bond Anticipation Bonds in the amount of \$2,115,000 (representing the Library) and in the amount of \$6,750,000 (representing Howard-Hartrey)

WHEREAS 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 (a) certain capital projects set forth in the current Plan at an estimated cost of \$3,500,000, (b) Downtown rehabilitation (Evmark) at an estimated cost of \$1,695,000, (c) improvement of alleyways at an estimated cost of \$600,000, (d) the purchase of fleet vehicles at an estimated cost of \$1,510,000, and rehabilitation and construction of public infrastructure in the "Downtown II" redevelopment area at an estimated cost of \$2,425,000 (collectively, the "1996 Bonds 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 1996 Bonds Capital Improvements is the sum of \$9,730,000 plus the estimated available amount of interest earnings on said sum prior to its expenditure; and

WHEREAS it is necessary for the refunding of the Series 1993 Bond Anticipation Bonds and for the payment of the costs of the 1996 Bonds Capital Improvements that money be borrowed at this time and in evidence of such borrowing, general obligation bonds of the City be issued in the principal amount of \$18,595,000, 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;

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; and 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 \$18,595,000 General Obligation Corporate Purpose Bonds, Series 1996, authorized to be issued by this Ordinance.

“*Bond Moneys*” means the Pledged Taxes and any other moneys deposited into the Debt Service Fund and investment income earned in the Bond Fund.

“*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 14 of this Ordinance.

"Depository" means The Depository Trust Company, an New York limited trust company, its successors, or a successor depository qualified to clear securities under applicable state and federal laws.

"Designated Officials" means the Interim 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.

"Ordinance" means this Ordinance, numbered 32-O-96, and passed by the City Council on the ____ day of April 1996.

"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.

"Pledged Taxes" means the taxes levied on the taxable property within the corporate limits of the City to pay principal of and interest on the Bonds as provided in Section 11 hereof.

"Project Fund" means the Project Fund as established and defined in Section 14 of this ordinance.

"Rebate Fund" means the Rebate Fund authorized to be established and as defined in Section 16 of this Ordinance.

"Series 1993 Bond Anticipation Bonds" means the City's General Obligation Bond Anticipation Bonds, Series 1993.

"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.

"1996 Bonds 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. It is necessary and in the best interests of the City to refund the designated portion of the Series 1993 Bond Anticipation Bonds and to acquire and construct the 1996 Bonds 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.

Section 4. Bond Details. There shall be issued and sold the Bonds in the aggregate principal amount of \$18,595,000. The Bonds shall each be designated "*General Obligation Corporate Purpose Bond, Series 1996*"; be dated May 1, 1996 (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 December 1 of the years and in the amounts as follows (subject to the right of prior redemption hereinafter stated):

YEAR	AMOUNT (\$)	YEAR	AMOUNT (\$)
1997	715,000	2007	745,000
1998	870,000	2008	790,000
1999	920,000	2009	845,000
2000	985,000	2010	900,000
2001	1,040,000	2011	955,000
2002	1,105,000	2012	1,015,000
2003	1,175,000	2013	1,080,000
2004	980,000	2014	1,145,000
2005	1,040,000	2015	580,000
2006	1,105,000	2016	605,000

Each Bond shall bear interest, at a rate not to exceed 9% 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, 1996. 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, and mailed to the address of the registered owner as it appears in the Bond Register or at such other address as is furnished in writing by the registered owner to the Bond Registrar. 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 "Cede & 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 Cede & 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 Cede & 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, Cede & 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 Cede & 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 "*Cede & 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 Cede & 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 Cede & 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 its Mayor 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. The Bonds due on or after December 1, 2006, are subject to redemption prior to maturity at the option of the City, from any available funds, in whole or in part on any date on or after June 2006, and if in part, in such order of maturity as the City may determine, 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.

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 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.

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.

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


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, 1996, 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 The Depository Trust Company, New York, New York, as 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.

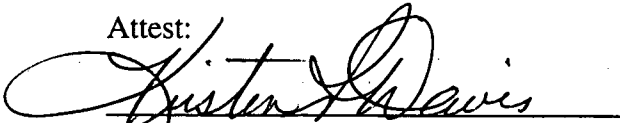
It is hereby certified and recited that all conditions, acts and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, have existed and have been properly done, happened and been performed in regular and due form and 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 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.



Mayor, 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 Corporate Purpose Bonds, Series 1996, having a Dated Date of April __, 1996, 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 \$18,595,000 issued by the City for the purpose of paying the costs of refunding certain General Obligation Bond Anticipation Bonds, Series 1993, of the City, and of the 1996 Bonds Capital Improvements, and of paying expenses incidental thereto, all as described and defined in the Ordinance Number 32-O-96, duly adopted by the City Council on the ____ day of April 1996, 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 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.

The Bonds due on or after December 1, 2006, are subject to redemption prior to maturity, at the option of the City, from any available funds, in whole or in part on any date on or after June 1, 2006, and if in part, in such order of maturity as the City shall determine, 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

[Empty rectangular box for identifying number]

[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. Tax Levy. 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, *there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose.* Such levy shall be fully set forth in the Bond Order.

The Pledged Taxes and other moneys on deposit (collectively, the "the Bond Moneys") in the Bond Fund shall be applied to pay principal of and interest on the Bonds.

Interest or principal 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 collection of the Pledged Taxes herein levied; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

Whenever other funds from any lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the taxes levied herein for the payment of same, the City Council shall, by proper proceedings, direct the deposit of such funds into the Bond Fund and further shall direct the abatement of the taxes by the amount so deposited. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerk of The County of Cook, Illinois, in a timely manner to effect such abatement.

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 foregoing tax levy. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied, extended and collected as provided herein and deposited into the Bond Fund.

Section 12. Filing with County Clerk. Promptly, as soon as this Ordinance becomes effective, a copy hereof, certified by the City Clerk of the City, shall be filed with the County Clerk of The County of Cook, Illinois; and said County Clerk shall in and for each of the years required, being 1996 to 2015, inclusive, ascertain the rate percent required to produce the aggregate tax hereinbefore provided to be levied in each of said years; and said County Clerk shall (to the extent said tax has not been abated as provided herein) extend the same for collection on the tax books in connection with any other taxes that may be levied in said years in and by the City for general corporate purposes of the City; and in said years such annual tax shall be levied and collected by and for and on behalf of the City in like

manner as provided by law for the levy and collection of taxes for general corporate purposes for said years, without limit as to either rate or amount, and in addition to and in excess of all other taxes.

Section 13. 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 \$18,483,430, 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 net interest cost rate on the Bonds, calculated in accordance with customary market practice, does not exceed 9.00% and 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 the Preliminary Official Statement relating to the Bonds presented before this meeting 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.

The Designated Officials shall also file with the County Clerk the Bond Order or like document including a statement of taxes.

Section 14. Creation of Funds and Appropriations. Bond proceeds and other funds of the City as noted are hereby appropriated as follows:

A. Accrued interest and premium, if any, on the Bonds, together with such additional sum which, with investment earnings, shall be sufficient to pay interest due on the Bonds on December 1, 1996, 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 Corporate Purpose Bonds, Series 1996, 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. The Pledged Taxes shall either be deposited into the Debt Service Fund and used solely and only for paying the principal of and interest on the Bonds or be used to reimburse a fund or account from which advances to the Debt Service Fund may have been made to pay principal of or interest on the Bonds prior to receipt of Pledged Taxes. Interest income or investment profit earned in the Debt Service Fund shall be retained in the Debt Service Fund for payment of the principal of or interest on the Bonds on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the City Council, transferred to such other fund as may be determined. The City hereby pledges, as equal and ratable security for the Bonds, all present and future proceeds of the Pledged Taxes for the sole benefit of the registered owners of the Bonds, subject to the reserved right of the City Council to transfer certain interest income or investment profit earned in the Debt Service Fund to other funds of the City, as described in the preceding sentence.

C. A sum sufficient to refund the designated amount of the Series 1993 Bond Anticipation Bonds next coming due shall be set aside by the Comptroller of the City and held in a special fund solely and only for that purpose.

D. The remaining proceeds of the Bonds shall be set aside in a separate fund, hereby created, and designated as the “*Series 1996 Capital Project Fund*” (the “*Project Fund*”), hereby created, and be used to pay costs of the 1996 Bonds Capital Improvements, including costs of issuance of the Bonds. 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 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 15. 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. Not more than 5% of the net proceeds of the Bonds 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. Not more than 5% of the amounts necessary to pay the principal of and interest on the Bonds will be derived, directly or indirectly, from payments 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 1996 Capital Improvement Plan and no user of the improved alleyways or the fleet vehicles, to be financed with proceeds of the Bonds, 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 16. General Arbitrage Covenants. The City represents and certifies as follows with respect to the Bonds:

A. With respect to the 1996 Bonds 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 \$500,000.

B. More than \$8,300,000 of the proceeds of the Bonds for the Project will be expended on or before April 15, 1999, 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 refunding and the Project, including expenses incidental thereto.

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

E. Except for 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 applicable Treasury Regulations under Section 148 of the Code.

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 Corporate Purpose Bonds, Series 1996, Rebate [or Penalty, if applicable]

Fund" (the "*Rebate Fund*") for the Bonds, and such officers shall further, not less frequently than annually, cause to be transferred to the Rebate 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 Rebate 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 17. 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 18. 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 19. 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 1996 Bonds 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 1996 Bonds Capital Improvements paid after the date hereof and prior to issuance of the Bonds.

Section 20. 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 1996 Bonds Capital Improvements list, or to use the City infrastructure acquired, constructed or improved as part of the 1996 Bonds Capital Improvements in any manner, notwithstanding the representations and covenants in Sections 15 through 19 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 21. 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 City 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 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 22. Continuing Disclosure. The Mayor or the City Clerk is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*") in substantially the same form as now before the City, 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 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 23. Defeasance. Any Bond or 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 such Bond or 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 Bond Moneys 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 24. 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 25. 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.

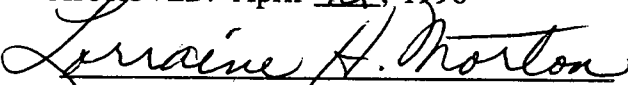
AYES Aldermen Kent, Moran, Engelman, Feldman, Newman, Drummer, Guthrie and Heydemann

NAYS: None

ABSENT: Alderman Holsman

ADOPTED: April 9, 1996

APPROVED: April 12, 1996

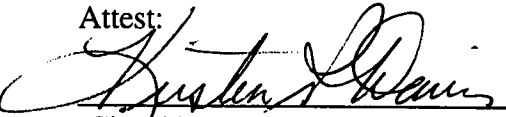


Mayor, City of Evanston
Cook County, Illinois

RECORDED In City Records: April 17, 1996.

PUBLISHED in pamphlet form by authority of the City Council on April 17, 1996.

Attest:



City Clerk, City of Evanston
Cook County, Illinois

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF 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 "City Council") thereof.

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the City Council held on the ___ day of April 1996 insofar as the same relates to the adoption of an ordinance numbered 32-O-96 and entitled:

AN ORDINANCE providing for the issuance of \$18,595,000 General Obligation Corporate Purpose Bonds, Series 1996, of the City of Evanston, Cook County, Illinois, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the City Council on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; and that said 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 City Council has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the City Council in the adoption of said ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City this _____ day of _____ 1996.

City Clerk

[SEAL]

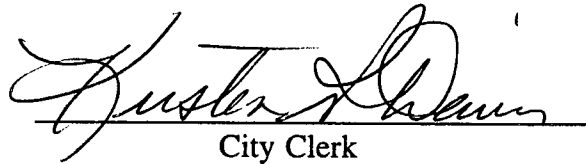
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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 "City Council") thereof.

I do further certify that on the _____ day of April 1996 there was published in pamphlet form, by authority of the City Council, a true, correct and complete copy of Ordinance Number 32-O-96 of the City providing for the issuance of \$18,595,000 General Obligation Corporate Purpose Bonds, Series 1996, dated May 1, 1996, of the City and that said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number 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 17th day of April 1996.



City Clerk

[SEAL]

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

This Continuing Disclosure Undertaking (this "*Undertaking*") is executed and delivered by the City of Evanston, Cook County, Illinois (the "*City*"), in connection with the issuance of \$18,595,000 General Obligation Corporate Purpose Bonds, Series 1996 (the "*Bonds*"). The Bonds are being issued pursuant to an ordinance adopted by the City Council of the City on the ____ day of April 1996.

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 UNDERTAKING.** This Undertaking 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 Undertaking, unless the context clearly otherwise requires.

Annual Financial Information means the financial information and operating data described in *Exhibit I*.

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 standards 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.

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

Material Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II* that is material, as materiality is interpreted under the Exchange Act.

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

MSRB means the Municipal Securities Rulemaking Board.

NRMSIRs means, as of any date, all Nationally Recognized Municipal Securities Information Repositories then recognized by the Securities and Exchange Commission for purposes of the Rule. As of the date of this Undertaking, the NRMSIRs are:

Bloomberg Municipal
Repositories
P.O. Box 840
Princeton, NJ 08542-0840
Phone: (609) 279-3200
Fax: (609) 279-5962

Disclosure, Inc.
5161 River Road
Bethesda, MD 20816
Attn: Document
Acquisitions/Municipal
Securities
Phone: (301) 951-1300
Fax: (301) 657-1962

Donnelley Financial
Municipal Securities Disclosure
Archive
559 Main Street
Hudson, MA 01749
Phone: (800) 580-3670
Fax: (508) 562-1969

Kenny Information Systems,
Inc.
65 Broadway - 16th Floor
New York, NY 10006
Attn: Kenny Repository
Service
Phone: (212) 770-4595
Fax: (212) 797-7994

Moody's NRMSIR
Public Finance Information
Center
99 Church Street
New York, NY 10007
Phone: (800) 339-6306
Fax: (212) 553-1460

Thomson Municipal Group
Attn: Municipal Disclosure
395 Hudson Street
New York, NY 10014
Phone: (212) 807-5954
Fax: (212) 989-9282
Internet:
Disclosure @ Muller.com

The names and addresses of all current NRMSIRs should be verified each time information is delivered pursuant to this Undertaking.

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

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

SID means any public or private repository designated by the State as the state repository and recognized as such by the Securities and Exchange Commission for purposes of the Rule. As of the date of this Undertaking there is no SID.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT.

The CUSIP Number of the Bonds are as follows:

YEAR	CUSIP	YEAR	CUSIP
1997		2007	
1998		2008	
1999		2009	
2000		2010	
2001		2011	
2002		2012	
2003		2013	
2004		2014	
2005		2015	
2006			

The Final Official Statement relating to the Bonds is dated April __, 1996 (the "*Final Official Statement*").

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 9 of this Undertaking, 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 each NRMSIR and to the SID, if any. The City is required to deliver such information in such manner and by such time so that such entities receive the information by the dates specified. 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 is made to this Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to each NRMSIR and the SID, if any) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. **EVENTS NOTIFICATION; MATERIAL EVENTS DISCLOSURE.** Subject to Section 9 of this Undertaking, the City hereby covenants that it will disseminate in a timely manner Material Events Disclosure to each NRMSIR or to the MSRB and to the SID, if any. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. **DUTY TO UPDATE NRMSIRs/SID.** The City shall determine, in the manner it deems appropriate, the names and addresses of the then existing NRMSIRs and SID each time it is required to file information with such entities.

7. **CONSEQUENCES OF FAILURE OF THE CITY TO PROVIDE INFORMATION.** The City shall give notice in a timely manner to each NRMSIR or to the MSRB and to the SID, if any, 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 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 this Undertaking. A default under this Undertaking shall not be deemed a default under the Ordinance, and the sole remedy under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

8. **AMENDMENTS; WAIVER.** Notwithstanding any other provision of this Undertaking, the City by ordinance authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived, if: (a) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted; (b) this Undertaking, 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 (c) the amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the City (such as Bond Counsel).

9. **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 payment of the Bonds under the Ordinance. The City shall give notice in a timely manner if this Section is applicable to each NRMSIR or to the MSRB and to the SID, if any.

10. **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 Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

11. **ADDITIONAL INFORMATION.** Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination

set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Material Event.

12. **BENEFICIARIES.** This Undertaking has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Undertaking 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.

13. **RECORDKEEPING.** The City shall maintain records of all Annual Financial Information Disclosure and Material 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.

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

15. **GOVERNING LAW.** This Undertaking shall be governed by the laws of the State of Illinois.

Date: May __, 1996

CITY OF EVANSTON
COOK COUNTY, ILLINOIS

By: _____
Its: Mayor
Address: 2100 Ridge Avenue
Evanston, Illinois 60201

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

Annual Financial Information means the financial information and operating data of the type contained in the Official Statement as follows:

The information under the Caption *Statement of Indebtedness* on the Cover Page
The information under the Caption *Financial Information - Debt and Tax Base* on Page ____
[Other]

Information by Reference. 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 each NRMSIR and to the SID, if any, 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 from the MSRB; the Final Official Statement need not be available from each NRMSIR, the SID, if any, or the Commission. The City shall clearly identify each such item of information included by reference.

Time for Providing. Annual Financial Information will be provided to each NRMSIR and to the SID, if any, by 180 days after the last day of the City's fiscal year. 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, unaudited financial statements shall be included.

Preparation of Audited Financial Statements Audited Financial Statements will be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e. as subject to the pronouncements of the Governmental Standards Accounting Board and subject to any express requirements of State law). Audited Financial Statements will be provided to each NRMSIR and to the SID, if any, within 30 days after availability to the City.

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

EXHIBIT II
EVENTS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-scheduled payment defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Bond calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes

Note: Some of the foregoing events may not be applicable to the Bonds.