
ORDINANCE NUMBER 82-O-02

AN ORDINANCE providing for the issuance of General Obligation Variable Rate Demand Bonds, Series 2002A (Sherman Plaza Project) and Taxable Series 2002B (Sherman Plaza Project), 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 September 2002.

Published in Pamphlet Form by the
Authority of the City Council on the
10th day of September 2002.

TABLE OF CONTENTS

SECTION	HEADING	PAGE
Preambles.....		1
SECTION 1.	DOCUMENTS EFFECTING THE ISSUANCE OF THE BONDS.....	2
SECTION 2.	DEFINITIONS	4
SECTION 3.	INCORPORATION OF PREAMBLES	5
SECTION 4.	DETERMINATION TO ISSUE BONDS.....	5
SECTION 5.	BOND DETAILS	5
SECTION 6.	TAX LEVY	6
SECTION 7.	SECURITY FOR THE BONDS; ABATEMENTS	8
SECTION 8.	FILING WITH COUNTY CLERK	8
SECTION 9.	CREATION OF FUNDS AND APPROPRIATIONS	9
SECTION 10.	TAX COVENANTS.....	9
SECTION 11.	REIMBURSEMENT	10
SECTION 12.	CONTINUING DISCLOSURE.....	11
SECTION 13.	PUBLICATION OF ORDINANCE	13
SECTION 14.	SUPERSEDER AND EFFECTIVE DATE	14

ORDINANCE NUMBER 82-0-02

AN ORDINANCE providing for the issuance of General Obligation Variable Rate Demand Bonds, Series 2002A (Sherman Plaza Project) and Taxable Series 2002B (Sherman Plaza Project), 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.

WHEREAS

A. 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 pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, the City is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt.

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

C. The City Council (hereinafter, the "Corporate Authorities") of the City has adopted no ordinance, resolution, order, or motion or provided any City Code provision which restrict or limit the exercise of the home rule powers of the City in the issuance of general obligation bonds without referendum for corporate purposes or which provides any special rules or procedures for the exercise of such power.

D. The City, by its Corporate Authorities, has previously made and does now affirm the determination that it is desirable and in the public interest of the City to provide funds to pay the costs of a municipal garage to be located on Sherman Avenue (the "Sherman Plaza Project") (the "Project").

E. It is now deemed advisable and necessary that bonds, as hereinafter provided, be issued for the purpose of financing the Project (such definition of "Project" to include all of the respective costs thereof, and without limitation, costs of the issuance of the Bonds, capitalized interest, and related expenses).

F. The Corporate Authorities do hereby determine that it is advisable and in the best interests of the City to borrow \$35,000,000 at this time for the purpose of paying the costs of the Project and, in evidence of such borrowing, to issue full faith and credit bonds of the City in the principal amount of \$35,000,000.

G. The Project is known as the "Sherman Plaza Development" under and pursuant to the Washington National Tax Increment Finance District, a "redevelopment project area" duly designated by the City Council pursuant to the provisions of the Tax Increment Redevelopment Project Act, as amended, and the Project is a proper "redevelopment project cost" with respect to said district under the provisions of said Act, and the "Special Tax Allocation Fund" with respect to said district may be drawn upon to pay the principal and interest on the Bonds (as hereinafter defined).

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. Documents Effecting the Issuance of the Bonds. In addition to this Ordinance, the following enumerated documents, substantially in the forms as attached hereto and as identified by Exhibit designation, relate and are integral to the issuance of the Bonds:

DOCUMENT	HEREIN REFERRED TO	EXHIBIT
Indenture of Trust	Indenture	A
Standby Bond Purchase Agreement	Liquidity Facility	B
(Bond) Purchase Contract	Purchase Contract	C
Remarketing Agreement	Remarketing Agreement	D
Official Statement	Official Statement	E
Tax Exemption Certificate and Agreement	TECA	F

(such documents to be referred to, collectively, as the "*Basic Bond Documents*"). Each of the Basic Bond Documents, in substantially the form as shown on such exhibits, is hereby in all respects approved; the officers of the City shown as signatory to each of the Basic Bond Documents or, if none are so shown, any of the Authorized Officers as said term is defined in the Indenture (the "*Authorized Officers*") is hereby authorized, empowered, and directed to execute, and the City Clerk of the City is authorized, empowered, and directed to attest and to affix the official seal of the City to, as called for, each of the Basic Bond Documents in the name of, for and on behalf of the City, and thereupon to cause the Basic Bond Documents to be delivered to the other parties thereto, in substantially the same form as presented or with such changes therein as the signatory officer(s) shall approve, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of the Basic Bond Documents before the Corporate Authorities; when each of such Basic Bond Documents is executed, attested, sealed, and delivered on behalf of the City, as applicable and as hereinabove provided, each of such Basic Bond Documents will be binding on the City; from and after the execution and delivery of each of such Basic Bond Documents, 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 each of such Basic Bond Documents as executed; and each of such Basic Bond Documents shall constitute, and hereby is made, a part of this Ordinance, and a copy of each of such Basic Bond Documents shall be placed in the official records of the City, and shall be available for public inspection at the office of the City Clerk.

Each of the other parties to the Basic Bond Documents, to be entitled to the contractual rights, duties, remedies, and fees or other compensation as indicated thereby, are hereby named and approved, as follows:

DOCUMENT	OTHER PARTY OR PARTIES
Indenture	American National Bank and Trust Company of Chicago
Liquidity Facility	Fifth Third Bank
Purchase Contract	Legg Mason Wood Walker, Incorporated
Remarketing Agreement	Legg Mason Wood Walker, Incorporated
TECA	American National Bank and Trust Company of Chicago (for limited purposes)

Sale of the Bonds pursuant to the Purchase Contract is hereby authorized.

Section 2. Definitions. The terms defined in the form of Indenture shall, for all purposes of this Ordinance, have the meanings therein specified; and the words and terms used in this Ordinance shall have the meanings specified herein, unless, in either case, the context or use clearly indicates another or different meaning is intended. Definitions in the preambles are incorporated in this Ordinance; further definitions are as follows:

“Ordinance” means this Ordinance, numbered and adopted on the date as set forth on the title page hereof.

"Pledged Taxes" means the taxes levied on the taxable property within the City to pay principal of and interest on the Bonds as made in Section 6 hereof.

"Tax-exempt" means, with respect to certain of the Bonds, the status of interest paid and received on such Bonds as not includable 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 and in computing the "branch profits tax" imposed on certain foreign corporations.

Section 3. Incorporation of Preambles. The Corporate Authorities hereby find that the recitals contained in the preambles to this Ordinance are true, correct, and complete and do incorporate them into this Ordinance by this reference.

Section 4. Determination To Issue Bonds. It is necessary and in the best interests of the City to provide for the Project, 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 pursuant to the Act; and these findings and determinations shall be deemed conclusive.

Section 5. Bond Details. For the purpose of providing for the payment of the costs of the Project and to pay all related costs and expenses incidental thereto, there shall be issued and sold the Bonds in the principal amount of not to exceed \$35,000,000. The Bonds shall be issued in two series, all being General Obligation Variable Rate Demand Bonds, as follows:

DEFINED PROJECT NAME	DEFINED BONDS SERIES	BONDS AMOUNT (\$) (NOT TO EXCEED)
Sherman Plaza Project	Series 2002A	32,000,000
Sherman Plaza Project	Taxable Series 2002B	7,000,000

The terms and provisions of the Bonds are as contained in the Indenture, or for Bonds in the event they are "Bank Bonds" as such term is defined in the Liquidity Facility, as further set forth in the Liquidity Facility.

Section 6. Tax Levy. For the purpose of providing funds required to pay the principal of and interest on the Bonds, 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; and there is hereby levied on all of the taxable property in the City, in addition to all other taxes, the direct annual taxes for each series and collectively as follows (collectively, the "*Pledged Taxes*"):

LEVY FOR THE YEAR	A TAX SUFFICIENT TO PAY INTEREST ON AND PRINCIPAL OF THE BONDS SO AS TO PRODUCE THE DOLLAR SUM OF		TO AND INCLUSIVE OF DEC 1 OF THE YEAR
	SERIES 2002A	SERIES 2002B	
2002	2,560,000	700,000	2003
2003	2,560,000	700,000	2004
2004	2,560,000	700,000	2005
2005	2,560,000	700,000	2006
2006	2,560,000	700,000	2007
2007	2,560,000	700,000	2008
2008	2,560,000	700,000	2009
2009	2,560,000	700,000	2010
2010	2,560,000	700,000	2011
2011	2,560,000	700,000	2012
2012	2,560,000	700,000	2013
2013	2,560,000	700,000	2014
2014	2,560,000	700,000	2015
2015	2,560,000	700,000	2016
2016	2,560,000	700,000	2017
2017	34,560,000	7,700,000	2018

The Pledged Taxes and other moneys on deposit in the Bond Fund and allocable to the Bonds shall be applied to pay principal of and interest on the Bonds. Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes 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. 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 taxes levied in this Section. The City and its officers will comply with all present and future applicable laws in order to

assure that the Pledged Taxes may be permitted to be levied, extended, and collected as provided herein and deposited into the Bond Fund.

Section 7. Security for the Bonds; Abatements. The Bonds are a general obligation of the City, for which the full faith and credit of the City are irrevocably pledged, and are payable from the levy of the Pledged Taxes on all of the taxable property in the City, without limitation as to rate or amount. Further, the obligations of the City with respect to the payment of costs, fees, expenses, and other amounts due under the Indenture, the Liquidity Facility, the Bond Purchase Agreement, and the Remarketing Agreement are a general obligation of the City for which the full faith and credit of the City are irrevocably pledged. In each year, on or before the deadline for the filing of an abatement of taxes levied by the City for such year, the City by its Corporate Authorities may adopt an ordinance abating taxes for such year only upon a finding that sufficient funds of the City will be on hand and available to pay principal of and interest on the Bonds during the period otherwise provided for from such levy.

Section 8. Filing with County Clerk. Promptly, when 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, and the County Clerk shall in and for each of the years 2002 to 2017, inclusive, ascertain the rate percent required to produce the aggregate taxes provided to be levied in each of said years and in said County; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the City for general corporate purposes of the City in said County, and in said years such annual taxes shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes for said years are levied and collected, and in addition to and in excess of all other taxes.

Section 9. Creation of Funds and Appropriations.

A. The Bond Fund and Project Fund are created in the Indenture.

B. The Pledged Taxes or other available funds of the City to be used to pay principal of or interest on the Bonds shall either be deposited into the Bond Fund and used solely and only as provided in Section 6 of this Ordinance or be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on the Bonds prior to receipt of Pledged Taxes. 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.

C. Proceeds of the Bonds shall be applied as provided in Sections 2.13, 5.01, and 5.02 of the Indenture.

Section 10. Tax Covenants. The provisions of this section shall apply only to the Tax Exempt Series of Bonds as defined in the Indenture and, further, is limited with respect to the Series 2002A Bonds to only those bonds of such series as remain Tax-exempt and are not converted to Taxable Bonds as provided in the Indenture (all of such bonds while Tax-exempt being the "*Series 2002 Tax-exempt Bonds*"). The City hereby covenants that it will not take any action, omit to take any action, or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Tax-exempt Bonds) if taking, permitting, or omitting to take such action would cause any of the Tax-exempt to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on such Tax-exempt Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Tax-exempt Bonds, under present rules, the City is treated as the

“taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. In furtherance of the foregoing provisions, but without limiting their generality, the City agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants, and assurances contained in the certificates or agreements as may be prepared by counsel approving the Bonds and executed by an official of the City; (c) to consult with such counsel and to comply with such advice as may be given, to the extent permitted by law; (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. The execution and delivery of a tax exemption certificate and agreement is hereby approved.

Section 11. Reimbursement. None of the proceeds of the Tax-Exempt 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 “preliminary expenditures,” as set forth in the Tax Exemption Certificate and Agreement to be delivered by the City in connection with the issuance of the Tax-Exempt Bonds, incurred prior to commencement of the Project or expenditures for which an intent to reimburse has been properly declared under Treasury Regulations Section 1.150-2. This Ordinance is in itself a declaration of official intent under Treasury Regulations Section 1.150-2 as to all costs of the Project paid after the date falling 60 days prior to the date of adoption hereof and prior to issuance of the Tax-Exempt Bonds.

Section 12. Continuing Disclosure.

A. The City shall make all required filings and reports so that all requirements of Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission, as amended from time to time, are met with respect to the Bonds.

B. Each year, the City shall provide annual financial information concerning the Bonds to each nationally recognized municipal securities information repository and to any entity designated by the State of Illinois as a state information depository for purposes of Rule 15c2-12(b)(5). A copy of the annual financial information shall also be provided to the Trustee under the Indenture. The annual financial information shall be so provided within 210 days after the end of the City's fiscal year, beginning with the fiscal year ending the last day of February 2003. Copies of the annual financial information shall also be made available to any Bondholder or Beneficial Owner of the Bonds (as defined in the Indenture) upon request. The annual financial information shall include the City's audited financial statements, prepared in accordance with generally accepted accounting principles. The annual financial information shall also include the financial and operating information of the type set forth in the Official Statement applicable upon the remarketing of the Bonds with a period, as provided in the Indenture, of greater than nine months.

The annual financial information may include any or all information by incorporating, by specific reference, other documents which have been provided to each of those national information repositories, and the state information depository, if any. If the incorporated information is in an official statement, it must be available from the Municipal Securities Rulemaking Board. The annual financial information shall include a notice of any change in the City's fiscal year.

C. Upon the occurrence of any of the following events with respect to the Bonds, if material, the City shall report the event in a timely manner to the state information depository, if any, and either to each of the national information repositories described above or to the Municipal Securities Rulemaking Board;

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions or events affecting tax-exempt status of the Bonds;
- (7) modifications to rights of owners of the Bonds;
- (8) calls;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds; or
- (11) rating changes;

The City will give a copy of each such report to the Trustee under the Indenture. The City will give notice in a timely manner to the Trustee under the Indenture, to the state information depository, if any, and either to each of the national information repositories or to the Municipal Securities Rulemaking Board of any failure timely to provide the annual financial information as provided in this paragraph.

D. The undertaking of the City in this Section is a contract between the City and the Bondholders or Beneficial Owners of the Bonds. It may be enforced by any of the Bondholders or Beneficial Owners of the Bonds. The remedy with respect to the City's compliance with its undertaking under this paragraph shall be to require compliance. This Section is for the purpose

of assisting the underwriter or Remarketing Agent in complying with Rule 15c2-12(b)(5) and is for the benefit of the Bondholders or Beneficial Owners of the Bonds, and shall create no right in anyone else. No violation by the City of any provision in this Section shall constitute any Event of Default or a default under this Ordinance, the Indenture, or under the Act.

E. The obligation of the City under this Section shall end upon the Bonds being paid or treated as paid as provided in the Indenture, except for the obligations to give notice under (C)(6) and (C)(7) above.

F. The City may by ordinance amend this Section at any time to the extent and in the manner allowed by Rule 15c2-12(b)(5), as amended from time to time, if the City's undertaking under this Section, as amended, shall continue to comply with the Rule, the amendment to be effective upon receipt by the City of an opinion of counsel, selected by the Trustee under the Indenture as having significant federal securities law expertise, to that effect. Any such amendment shall be described in the next annual financial information.

G. The City may, from time to time, appoint or engage a dissemination agent, which may be the Trustee under the Indenture, to assist it in carrying out its obligations under this Section, and may discharge any such agent, with or without appointing a successor.

H. The obligations of the City in this Section to provide annual financial information and reports of events as provided in (B) and (C) above shall not be in effect prior to conversion of the Bonds to a Mode other than the Weekly Rate Mode, with a period of greater than nine months, as provided in the Indenture.

Section 13. Publication of Ordinance. A full, true and complete copy of this Ordinance shall be published within ten days after passage in pamphlet form by authority of the Corporate Authorities.

Section 14. *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.

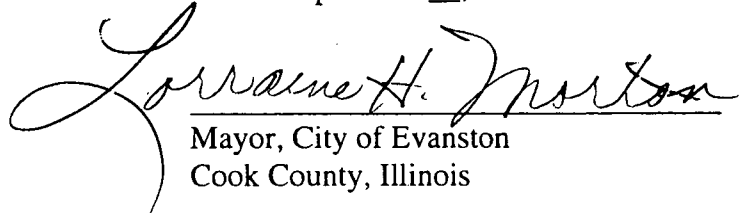
AYES: Engelman, Rainey, Feldman, Newman, Jean-Baptiste, Wynne, Bernstein, Kent, Moran

NAYS: None

ABSENT: None

ADOPTED: September 9, 2002

APPROVED: September 10, 2002

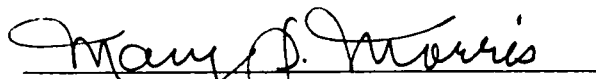


Mayor, City of Evanston
Cook County, Illinois

Recorded In City Records: September 24th, 2002.

Published in pamphlet form by authority of the Corporate Authorities on September 10, 2002.

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 "Corporate Authorities") thereof.

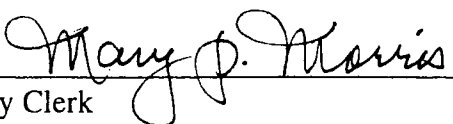
I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the 9th day of September 2002 (the "Meeting") insofar as the same relates to the adoption of an ordinance, numbered 82-O-02, and entitled:

AN ORDINANCE providing for the issuance of General Obligation Variable Rate Demand Bonds, Series 2002A (Sherman Plaza Project) and Taxable Series 2002B (Sherman Plaza Project), 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.

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

I do further certify that the deliberations of the Corporate Authorities on the adoption of the Ordinance were taken openly; that the vote on the adoption of the Ordinance was taken openly; that the Meeting was held at a specified time and place convenient to the public; that notice of the Meeting was duly given to all newspapers, radio or television stations, and other news media requesting such notice; that an agenda for the Meeting was posted at the location where the Meeting was held and at the principal office of the Corporate Authorities (being the same location) at least 48 hours in advance of the holding of the Meeting; that said agenda contained a separate specific item concerning the proposed adoption of the Ordinance; and that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Corporate Authorities in the adoption of the Ordinance.

21st IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City this day of September 2002.



City Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

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

I do further certify that on the 10th day of September 2002 there was published in pamphlet form, by authority of the Corporate Authorities, a true, correct and complete copy of Ordinance Number 82-O-02 of the City providing for the issuance of \$35,000,000 General Obligation Variable Rate Demand Bonds, Series 2002A (Sherman Plaza Project) and Taxable Series 2002B (Sherman Plaza Project), 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 24th day of September 2002.

Mary J. Morris
City Clerk

[SEAL]