
ORDINANCE NUMBER 67-O-12

AN ORDINANCE providing for the issuance of one or more series of not to exceed \$16,220,000 General Obligation Corporate Purpose Bonds, Series 2012A, of the City of Evanston, Cook County, Illinois, for capital improvement and refunding purposes, authorizing the execution of one or more bond orders in connection therewith and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

Introduced on the 25th day of June 2012.

Adopted by the City Council on the 9th day of July 2012.

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LIST OF EXHIBITS

- A—FORM OF BOND ORDER
- B—CONTINUING DISCLOSURE UNDERTAKING

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PREAMBLES

WHEREAS

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

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

C. The City Council of the City (the "*Corporate Authorities*") has determined it is necessary and convenient for the public health, safety, and welfare to provide for capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2012 in the City's Capital Improvement Plan, as adopted by the Corporate Authorities, and to pay expenses incidental to such improvements and costs of issuance of bonds for such purpose (such improvements and related expenses and costs being the "*Capital Improvement Project*") at an estimated cost of approximately \$8,700,000; and, there being no funds on hand and allocable to the purpose, the Corporate Authorities have determined it is

necessary and convenient to borrow not to exceed said sum of \$8,700,000 at this time pursuant to the Act (as hereinafter defined) and, in evidence of such borrowing, to issue general obligation bonds of the City for such purpose in not to exceed such principal amount.

D. The Corporate Authorities have further determined that it is advisable and in the best interests of the City to provide for the current payment of approximately \$4,000,000 of the amounts due to the State of Illinois, in particular amounts due to the "Water Pollution Control Revolving Loan Fund" administered by the Illinois Environmental Protection Agency (the "IEPA") under certain "Loan Agreements" (the "IEPA Loans") entered into from time to time by the City with the IEPA to obtain funds for eligible sewer system projects of the City (such funding and related expenses and costs being the "IEPA Loan Funding"); and the Corporate Authorities have determined it is necessary and convenient to borrow not to exceed said sum of \$4,000,000 at this time and, in evidence of such borrowing, to issue general obligation bonds of the City for such purpose in not to exceed such principal amount.

E. The sewer system projects funded with the IEPA Loans have remaining useful lives beyond the term during which the borrowing represented by the Bonds (as hereinafter defined) will remain outstanding.

F. The City has heretofore issued and there are now outstanding the following legal and validly binding and subsisting obligations of the City:

GENERAL OBLIGATION CORPORATE PURPOSE AND REFUNDING BONDS,
SERIES 2002C, DATED OCTOBER 1, 2002

Original Principal Amount:	\$20,250,000
Originally Due Serially (or Subject to Mandatory Redemption) on January 1 in the Years:	2003 to 2022
Amount Remaining Outstanding:	\$3,520,000
Amount Which May Be Refunded:	\$3,520,000

REMAINING OUTSTANDING BONDS AND BONDS WHICH MAY
BE REFUNDED DUE (OR SUBJECT TO MANDATORY REDEMPTION) AND DESCRIBED AS
FOLLOWS:

JANUARY 1 OF THE YEAR	AMOUNT (\$)	RATE OF INTEREST (%)	AMOUNT WHICH MAY BE REFUNDED
2013	1,000,000	5.25	1,000,000
2014	1,000,000	5.25	1,000,000
2015 ¹	235,000	5.25	235,000
2016	235,000	5.25	235,000
2017 ²	190,000	5.25	190,000
2018	190,000	5.25	190,000
2019 ³	145,000	5.25	145,000
2020	145,000	5.25	145,000
2021 ⁴	190,000	5.25	190,000
2022	190,000	5.25	190,000

which bonds (the “*Prior Bonds*” and those which may be refunded currently as shown in the table above the “*Eligible Prior Bonds*”) are now subject to redemption prior to maturity at the option of the City on any date at the redemption price of par and accrued interest.

¹ Part of 2016 Term Bond

² Part of 2018 Term Bond

³ Part of 2020 Term Bond

⁴ Part of 2022 Term Bond

G. The Corporate Authorities have considered and determined that interest rates available in the bond market for the maturities to be refunded are currently more favorable for the City than they were at the time when the Prior Bonds were issued and that it is possible, proper, and advisable to provide for the timely refunding, if such favorable rates continue, of the Eligible Prior Bonds, and to provide for the payment and redemption thereof as same become due at the earliest practical date of redemption, to the end of taking advantage of the debt service savings which may result from such lower interest rates (which refunding may hereinafter be referred to as the "Refunding").

H. The Corporate Authorities hereby determine that it is advisable and in the best interests of the City to provide for the borrowing of not to exceed \$3,520,000 at this time pursuant to the Act as hereinafter defined for the purpose of paying the costs of the Refunding and, in evidence of such borrowing, to provide for the issuance of general obligation bonds of the City for such purpose in not to exceed such principal amount.

I. The Corporate Authorities have heretofore and it hereby expressly is determined that it is desirable and in the best interests of the City that there be authorized at this time the borrowing of money for all of the purposes enumerated above (the Capital Improvement Project, the IEPA Loan Funding, and the Refunding) and, in evidence of such borrowing, the issuance of the Bonds of the City, and that certain officers of the City be authorized to sell one or more series of such Bonds from time to time and, accordingly, it is necessary that said officers be so authorized with certain parameters as hereinafter set forth.

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

Section 1. Definitions. Words and terms used in this Ordinance shall have the meanings given them, unless the context or use clearly indicates another or different meaning is

intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

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

Capital Improvement Project

City

Corporate Authorities

Eligible Prior Bonds

IEPA

IEPA Loans

IEPA Loan Funding

Prior Bonds

Refunding

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

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

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

“Bond Counsel” means Chapman and Cutler LLP, Chicago, Illinois.

“Bond Funds” means the Bond Funds established and defined in (Section 15 of) this Ordinance.

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

“*Bond Order*” means a Bond Order as authorized to be executed by Designated Officers of the City as provided in (Section 13 of) this Ordinance, substantially in the form (with related certificates) as attached hereto as *Exhibit A*, and by which the final terms of the Bonds will be established.

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

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

“*Bond Registrar*” means Wells Fargo Bank, N.A., a national banking association, having trust offices located in the City of Chicago, Illinois, or its successors, in its capacity as bond registrar and paying agent under this Ordinance, or a substituted bond registrar and paying agent as hereinafter provided.

“*Bonds*” means any of the one or more series of general obligation bonds of various names authorized to be issued by this Ordinance.

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

“*Code*” means the Internal Revenue Code of 1986, as amended.

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

“County” means The County of Cook, Illinois.

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

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

“Designated Officers” means the City Manager and the Mayor, acting in concert.

“Financial Advisors” means Public Financial Management, Inc.

“Ordinance” means this Ordinance, numbered as set forth on the title page, and passed by the Corporate Authorities on the 9th day of July 2012.

“Purchase Price” means the price to be paid for the Bonds as set forth in a Bond Order, *provided* that no Purchase Price for any Series of Bonds shall be less than 99% of the par value, plus accrued interest from the date of issue to the date of delivery.

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

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

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

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

into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

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

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

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

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

Section 4. Bond Details. There shall be issued and sold the Bonds in one or more Series in the aggregate principal amount of not to exceed \$16,220,000. The Bonds shall each be designated “*General Obligation Corporate Purpose Bond, Series 2012A*” or such other name or names or series designations as may be appropriate and as stated in the Bond Order; be dated the date of issuance thereof or such other date or dates on or prior to the initial date of issuance as may be set forth in the Bond Order, if it is determined therein to be a date better suited to the advantageous marketing of the Bonds (the “*Dated Date*”); and shall also bear the date of

authentication thereof. The Bonds shall be fully registered and in 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), and shall be numbered consecutively within a Series in such fashion as shall be determined by the Bond Registrar. The Bonds shall become due and payable serially or as Term Bonds (subject to right of prior redemption if so provided in the Bond Order) on December 1 of the years in which the Bonds are to mature. The Bonds shall mature in the amounts and in the years as shall be set forth in the relevant Bond Order, *provided, however, that* (a) the final date of maturity of the Bonds shall not extend past December 1, 2032 and (b) the *sum* of the principal of and interest on the portion of the Bonds issued to pay the costs of the Capital Improvement Project and the IEPA Funding, collectively, and due (or subject to mandatory redemption) in any given annual period from December 2 to the following December 1 (a “*Bond Year*”) shall not exceed \$3,500,000. The portion of the Bonds to be issued to pay the costs of the Refunding, and all related costs and expenses incidental thereto, shall mature on December 1 of such years as shall be set forth in the Bond Order, and in such principal amounts as shall be set forth therein; *provided, however,* that the tax levy required for the timely payment of the principal of and interest on the portion of the Bonds allocated to the Refunding in any year shall not exceed the tax levy now on file for the Eligible Prior Bonds which are in fact refunded for the same year. Each Bond shall bear interest at a rate not to exceed seven percent (7.00%) 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, 2012, or such other June 1 or December 1 not later than one year beyond the Dated Date as shall be provided in a relevant Bond Order. Interest on each

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

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

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

Section 6. Book Entry Provisions. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each Series and maturity bearing the same interest rate. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of the Depository or a designee or nominee of the Depository (such depository or nominee being the "*Book Entry Owner*"). Except as otherwise expressly provided, all of the

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

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

Section 7. Execution; Authentication. The Bonds shall be executed on behalf of the City by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk, as they may determine, and shall

be impressed or imprinted with the corporate seal or facsimile seal of the City. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form provided, duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance.

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

A. Optional Redemption. If so provided in the relevant Bond Order, any Bonds may be subject to redemption prior to maturity at the option of the City, in whole or in part on any date, at such times and at such optional redemption prices as shall be determined by the Designated Officers in the relevant Bond Order. Such optional redemption prices shall be expressed as a percentage of the principal amount of Bonds to be redeemed, *provided* that such percentage shall not exceed one hundred three percent (103%) plus accrued interest to the date of redemption. If less than all of the outstanding Bonds of a Series are to be optionally redeemed, the Bonds to be called shall be called from such Series, in such principal amounts, and from such maturities as may be determined by the City and within any maturity in the manner hereinafter provided. As provided in the Bond Order, some portion or all of the Bonds may be made not subject to optional redemption.

B. Term Bonds; Mandatory Redemption and Covenants; Effect of Purchase or Optional Redemption of Term Bonds. The Bonds of any Series may be subject to mandatory redemption (as Term Bonds) as provided in a Bond Order; *provided, however,* that in such event the amounts due pursuant to mandatory redemption shall be the amounts used to satisfy the test set forth in (Section 4 of) this Ordinance for the maximum amounts of principal and interest due on the Bonds in any given Bond Year. Bonds designated as Term Bonds shall be made subject to mandatory redemption by operation of the Bond Fund at a price of not to exceed par and accrued interest, without premium, on December 1 of the years and in the amounts as shall be determined in a Bond Order. The City covenants that it will redeem Term Bonds pursuant to the mandatory redemption requirement for such Term Bonds. Proper provision for mandatory redemption having been made, the City covenants that the Term Bonds so selected for redemption shall be payable as at maturity, and taxes shall be levied and collected as provided herein accordingly. If the City redeems pursuant to optional redemption as may be provided or purchases Term Bonds of any maturity and cancels the same from Bond Moneys as hereinafter described, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the mandatory redemption requirements provided for Term Bonds of such maturity, first, in the current year of such requirement, until the requirement for the current year has been fully met, and then in any order of such Term Bonds as due at maturity or subject to mandatory redemption in any year, as the City shall determine. If the City redeems pursuant to optional redemption as may be provided or purchases Term Bonds of any maturity and cancels the same from moneys other than Bond Moneys, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the amount of such Term Bonds as due at maturity or subject to mandatory redemption requirement in any year, as the City shall determine.

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

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

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

(3) *Official Notice of Redemption.* The Bond Registrar shall promptly notify the City in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be

redeemed. Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class U.S. mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All official notices of redemption shall include the name of the Bonds and at least the information as follows:

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

(4) *Conditional Redemption.* Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City,

state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

(5) *Bonds Shall Become Due.* Official notice of redemption having been given as described, the Bonds or portions of Bonds so to be redeemed shall, subject to the stated condition in the paragraph (4) immediately preceding, on the redemption date, become due and payable at the redemption price therein specified; and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due.

(6) *Insufficiency in Notice Not Affecting Other Bonds; Failure to Receive Notice; Waiver.* Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit, or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the

Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. In lieu of the foregoing official notice, so long as the Bonds are held in Book Entry Form, notice may be given as provided in the Letter of Representations; and the giving of such notice shall constitute a waiver by the Depository and the Book Entry Owner, as registered owner, of the foregoing notice. After giving proper notification of redemption to the Bond Registrar, as applicable, the City shall not be liable for any failure to give or defect in notice.

(7) *New Bond in Amount Not Redeemed.* Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of authorized denominations, of the Series and the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

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

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

(10) *Additional Notice.* The City agrees to provide such additional notice of redemption as it may deem advisable at such time as it determines to redeem Bonds,

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

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

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

[FORM OF BONDS - FRONT SIDE]

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
THE COUNTY OF COOK
CITY OF EVANSTON
GENERAL OBLIGATION CORPORATE PURPOSE BOND,
SERIES 2012[LETTER DESIGNATION]

See Reverse Side for
Additional Provisions.

Interest Maturity Dated
Rate: Date: December 1, _____ Date: _____, 2012 CUSIP: _____

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the City of Evanston, Cook County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above (but subject to right of prior redemption), the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on June 1 and December 1 of each year, commencing December 1, 2012, until said Principal Amount is paid or duly provided for. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the office maintained for that purpose at Wells Fargo Bank, N.A., located in the City of Chicago, Illinois, as paying agent and bond registrar (the "Bond

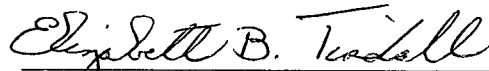
Registrar”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar at the close of business on the applicable Record Date. The Record Date shall be the 15th day of the month preceding any regular interest payment date or a redemption on the first day of any month and the 15th day preceding any other interest payment date which may be occasioned by a redemption of Bonds on a day other than the first day of any month. Interest shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books, or at such other address furnished in writing by such Registered Owner to the Bond Registrar, or as otherwise agreed by the City and the Bond Registrar for so long as this Bond is held by a qualified securities clearing corporation as depository, or nominee, in Book Entry Form as provided for same.

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

It is hereby certified and recited that all conditions, acts, and things required by the constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, including the Act, have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the City sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.


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

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



Mayor, City of Evanston
Cook County, Illinois

ATTEST:



City Clerk, City of Evanston
Cook County, Illinois

[SEAL]

[FORM OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Corporate Purpose Bonds, Series 2012[Letter Designation], having a Dated Date of _____, 2012, of the City of Evanston, Cook County, Illinois.

WELLS FARGO BANK, N.A.
Chicago, Illinois
as Bond Registrar

Date of Authentication: _____, _____

By _____
Authorized Officer

[FORM OF BONDS - REVERSE SIDE]

This bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$_____ issued by the City for the purpose of paying a part of the costs of [the Capital Improvement Project, the funding of certain IEPA Loan payments due and a certain refunding of outstanding General Obligation Corporate Purpose and Refunding Bonds, Series 2002C of the City], and of paying expenses incidental thereto, all as described and defined in Ordinance Number 67-O-12 of the City, passed by the City Council on the ___ day of _____ 2012, 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, and pursuant to the provisions of the Local Government Debt Reform Act, as amended (such code and powers, as supplemented, being the "Act"), and with the Ordinance, which has been duly executed by the Mayor, and published in pamphlet form, in all respects as by law required.

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

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

[FORM OF ASSIGNMENT]

ASSIGNMENT

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

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

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

Dated: _____

Signature guaranteed: _____

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

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

Section 11. Tax Levy; Abatements. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity or as subject to mandatory redemption, there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose for each Series of Bonds; and *there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are outstanding, a direct annual tax (the "AD VALOREM PROPERTY TAXES" as defined) as shall be fully set forth in the Bond Order for each Series of the Bonds.* Ad Valorem Property Taxes and other moneys on deposit in the Bond Fund from time to time ("*Bond Moneys*" as herein defined) shall be applied to pay principal of and interest on the Bonds. Interest on or principal of the Bonds coming due at any time when there are insufficient Bond Moneys to pay the same shall be paid promptly when due from current funds on hand in advance of the deposit of the Ad Valorem Property Taxes; and when the Ad Valorem Property Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. The City covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain outstanding the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the Ad Valorem Property Taxes. The City and its officers will comply with all present and future applicable laws in order to assure that the Ad Valorem Property Taxes may lawfully be levied, extended, and collected as provided herein. In the event that funds from any other lawful source are made

available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the taxes levied herein for the payment of same, the Corporate Authorities shall, by proper proceedings, direct the transfer of such funds to the Bond Fund, and shall then direct the abatement of the taxes by the amount so deposited. The City covenants and agrees that it will not direct the abatement of taxes until money has been deposited into the Bond Fund in the amount of such abatement. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerk in a timely manner to effect such abatement.

Section 12. Filing with County Clerk. Promptly, after this Ordinance becomes effective and upon execution of the first Bond Order, a copy hereof, certified by the City Clerk, shall be filed with the County Clerk. Under authority of this Ordinance, the County Clerk shall in and for each of the years as set forth in each and every Bond Order ascertain the rate percent required to produce the aggregate Ad Valorem Property Taxes levied in each of such years; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in such years in and by the City for general corporate purposes of the City; and in each of those years such annual tax shall be levied and collected by and for and on behalf of the City in like manner as taxes for general corporate purposes for such years are levied and collected, without limit as to rate or amount, and in addition to and in excess of all other taxes.

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

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

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

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

B. Upon the sale of the Bonds of any Series, the Designated Officers and any other officers of the City as shall be appropriate shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds of such Series as may be necessary, including, without limitation, a Bond Order, Preliminary Official Statement, Official Statement, Bond Purchase Agreement, and closing documents; such certifications, tax returns, and documentation as may be required by Bond Counsel, including, specifically, a tax agreement for the Bonds, to render their opinion(s) as to the Tax-exempt status of the interest on the Bonds. The Preliminary Official Statement relating to the Bonds, such document to be in substantially the form now on file with the City Clerk and available to the Mayor and Aldermen and to members of the interested public, is hereby in all respects authorized and approved; and the

proposed use by the Purchaser of an Official Statement (in substantially the form of the Preliminary Official Statement but with appropriate variations to reflect the final terms of the Bonds) is also hereby authorized and approved. The Designated Officers are (or either of them is) hereby authorized to execute each Bond Purchase Agreement, their (his or her) execution to constitute full and complete approval of all necessary or appropriate completions and revisions as shall appear therein. Upon the sale of a Series of the Bonds, the Designated Officers so acting shall prepare the Bond Order for same, such document to be in substantially the form as set forth as *Exhibit A* attached hereto, which shall include the pertinent details of sale as provided herein, and which shall enumerate the levy of taxes to pay the Bonds, and such shall in due course be entered into the records of the City and made available to the Corporate Authorities. *The authority to sell the Bonds pursuant to any Bond Order as herein provided shall expire on December 31, 2012.*

Section 14. Continuing Disclosure Undertaking. The Mayor or either of the Designated Officers of the City is hereby authorized, empowered, and directed to execute and deliver the Continuing Disclosure Undertaking in substantially the same form as now before the City as *Exhibit B* to this Ordinance, or with such changes therein as the officer executing the Continuing Disclosure Undertaking on behalf of the City shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees, and agents of the City, and the officers, employees, and agents of the City are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole

remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

Section 15. Creation of Funds and Appropriations. A. There is hereby created the “*Series 2012 Bonds Debt Service Account*” (the “*Bond Fund*”), which shall be the fund for the payment of principal of and interest on all Series of the Bonds. Accrued interest, if any, received upon delivery of the Bonds shall be deposited into the Bond Fund and be applied to pay first interest coming due on the corresponding Series of Bonds.

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

C. The amount necessary from the proceeds of the each Series of Bonds shall be used to pay costs of issuance of the respective Series of Bonds and shall be deposited into a separate fund, hereby created, designated the “*2012[Series Designation] Expense Fund.*” Any

disbursements from such fund shall be made from time to time as necessary. Any excess in said fund established for the Bonds shall be deposited into the Capital Improvement Project Fund hereinafter created after six months from the date of issuance of the Bonds.

D. Provided that the Refunding portion of the Bonds is to be sold and delivered, the amount necessary from the proceeds of the Bonds, together with such money in the debt service funds for the Eligible Prior Bonds as may be advisable for the purpose, shall be used to provide for the Refunding, and the payment of such expenses as may be designated. The City Manager in conjunction with the officers of the City charged with administration of the City's finances, shall then make provision for the call and redemption of the Eligible Prior Bonds to be refunded as soon as practicable after the delivery of Bonds to accomplish the Refunding.

E. The proceeds of the Bonds issued for the IEPA Loan Funding shall promptly be applied by the City Manager, acting in conjunction with the officers of the City charged with administration of the City's finances, to pay or prepay currently due or next payments due on the IEPA Loans in not to exceed the amount of \$4,000,000.

F. The remaining proceeds of the Bonds shall be set aside in a separate fund, hereby created, and designated as the "*Series 2012 Capital Improvement Project Fund*" (the "*Capital Improvement Project Fund*"), hereby created, and be used to pay costs of the Capital Improvement Project, including costs of issuance of the Bonds which for any reason are not paid from respective Expense Fund.

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

H. The Corporate Authorities reserve 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 the various covenants set forth in this Ordinance and in related certificates given in connection with delivery of the Bonds and also subject to the obtaining of the opinion of Bond Counsel or of some other attorney or firm of attorneys whose opinions are generally acceptable to the purchasers in the national marketplace of governmental Tax-exempt obligations (“*Other Bond Counsel*”) that such changes or substitutions are proper under the Act and do not adversely affect the Tax-exempt status of the Tax-exempt Bonds.

Section 16. General Tax Covenants. 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 Bonds) if taking, permitting, or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code, would otherwise cause the interest on the 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 Bonds, under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. In furtherance of the foregoing provisions, but without limiting their generality, the City agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants, and assurances contained in certificates or agreements as may be prepared by Bond Counsel; (c) to consult with such Bond

Counsel and to comply with such advice as may be given; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

Section 17. Certain Specific Tax Covenants.

A. None of the Bonds shall be a “private activity bond” as defined in Section 141(a) of the Code; and the City certifies, represents, and covenants as follows:

(1) Not more than 5% of the net proceeds and investment earnings of the Bonds of any Series is to be used, or of any of the Prior Bonds or any of the IEPA Loans were used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit.

(2) Not more than 5% of the amounts necessary to pay the principal of and interest on the Bonds of any Series 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.

(3) None of the proceeds of the Bonds of any Series is to be used and none of the proceeds of any of the Prior Bonds or IEPA Loans were used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(4) Except as may be permitted by reference to the text above (at paragraph A (1) of this Section), no user of the real or personal property of the City acquired, constructed, or improved with the proceeds of the Bonds of any Series, any of the Prior Bonds or any of the IEPA Loans, 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 except as noted, no person, other than the City or another governmental unit, will be a user of such

property as a result of (i) ownership or (ii) actual or beneficial use pursuant to a lease, a management or incentive payment contract other than as expressly permitted by the Code, or (iii) any other arrangement.

B. The Bonds shall not be “arbitrage bonds” under Section 148 of the Code; and the City certifies, represents, and covenants as follows:

(1) With respect to the Capital Improvement Project, the City has heretofore incurred or within six months after delivery of the portion of the Bonds allocable to the Capital Improvement Project expects to incur substantial binding obligations to be paid for with money received from the sale of the portion of the Bonds allocable to the Capital Improvement Project, said binding obligations comprising binding contracts for the Capital Improvement Project in not less than the amount of 5% of the proceeds of the portion of the Bonds allocable to the Capital Improvement Project.

(2) The City expects that more than 85% of the proceeds of the portion of the Bonds allocable to the Capital Improvement Project will be expended on or before three years for the purpose of paying the costs of the Capital Improvement Project.

(3) The City expects that all of the principal proceeds of the portion of the Bonds allocable to the Capital Improvement Project and investment earnings thereon will be used, needed, and expended for the purpose of paying the costs of the Capital Improvement Project including expenses incidental thereto.

(4) Work on the Capital Improvement Project is expected to proceed with due diligence to completion.

(5) 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.

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

(7) Unless an applicable exception to Section 148(f) of the Code, relating to the rebate of "excess arbitrage profits" to the United States Treasury (the "*Rebate Requirement*") is available to the City, the City will meet the Rebate Requirement.

(8) Relating to applicable exceptions, any City officer charged with issuing the Bonds is hereby authorized to make such elections under the Code as such officer shall deem reasonable and in the best interests of the City.

C. None of the proceeds of the Bonds of any Series 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 Capital Improvement Project or expenditures for which an intent to reimburse it as 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 Capital Improvement Project paid after the date hereof and prior to issuance of the Bonds.

Section 18. Municipal Bond Insurance. In the event the payment of principal of and interest on a Series of the Bonds is insured pursuant to a municipal bond insurance policy (a "*Municipal Bond Insurance Policy*") issued by a bond insurer (a "*Bond Insurer*"), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the City and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of such Bonds, subrogation of the rights of the Bondholders to the Bond Insurer when holding such Bonds, amendment hereof, or other terms, as approved by any of the City officers on advice of counsel, his or her approval to constitute full and complete acceptance by the City of such terms and provisions under authority of this Section.

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

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

(B) The Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing the certificate of authentication on any Bond, and by such execution the Bond Registrar shall be deemed to have certified to the City that it has all requisite power to accept and has accepted such duties and obligations not only with respect to the Bond so authenticated but with respect to all the Bonds. Any Bond Registrar shall be the agent of the City and shall not be liable in connection with the performance of its duties except for its own negligence or willful wrongdoing. Any Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on Bonds.

(C) The City may remove the Bond Registrar at any time. In case at any time the Bond Registrar shall resign, shall be removed, shall become incapable of acting, or shall be adjudicated a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Bond Registrar or of the property thereof shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or of the property or affairs thereof, the City covenants and agrees that it will thereupon appoint a successor Bond Registrar. The City shall give notice of any such appointment made by it to each registered owner of any Bond within twenty days after such appointment in any reasonable manner as the City shall select. Any Bond Registrar appointed under the provisions of this Section shall be a

bank, trust company, or national banking association maintaining a corporate trust office in Illinois or New York, and having capital and surplus and undivided profits in excess of \$100,000,000. The City Clerk of the City is hereby directed to file a certified copy of this Ordinance with the Bond Registrar.

Section 20. Defeasance. Any Bond or Bonds (a) which are paid and cancelled; (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon; or (c) (i) for which sufficient funds and Defeasance Obligations have been deposited with the Bond Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity, pursuant to an irrevocable escrow or trust agreement, (ii) accompanied by an opinion of Bond Counsel or Other Bond Counsel as to compliance with the covenants with respect to such Bonds, and (iii) accompanied by an express declaration of defeasance by the Corporate Authorities; shall cease to have any lien on or right to receive or be paid from Bond Moneys or the Bond Fund hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the Tax-exempt status of Tax-exempt Bonds; and payment, registration, transfer, and exchange; are expressly continued for all affected Bonds whether outstanding Bonds or not. For purposes of this section, "*Defeasance Obligations*" means (a) noncallable, non-redeemable, direct and general full faith and credit obligations of the United States Treasury ("*Directs*"), (b) certificates of participation or trust receipts in trusts comprised wholly of Directs or (c) other noncallable, non-redeemable, obligations unconditionally guaranteed as to timely payment to maturity by the United States Treasury.

Section 21. Prior Bonds and Taxes. The taxes previously levied to pay principal of and interest on the Prior Bonds, to the extent such principal and interest is provided for from the proceeds of the Bonds as hereinabove described, shall be abated. The filing of a certificate of abatement with the County Clerk shall constitute authority and direction for the County Clerk to make such abatement. Such taxes as previously levied which are either on hand or cannot be abated (already in the process of extension or collection) shall be used for lawful purposes of the City, including the payment of debt service on the Bonds, so as to reduce the need for the levy of taxes for the Bonds.

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

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

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

ADOPTED: This 9th day of July 2012.

AYES: Inover, Ramey, Burrus, Fiske, Braithwaite, Wynne, ^{Holmes} Wilson,

NAYS: —

ABSENT: Jendram

WITNESS: July 11, 2012

Cliff B. Tisdahl
Mayor, City of Evanston
Cook County, Illinois

Published in pamphlet form by authority of the Corporate Authorities on July 11, 2012.

ATTEST:

Bradley J. Davis
City Clerk, City of Evanston
Cook County, Illinois

EXTRACT OF MINUTES of the regular public meeting of the City Council of the City of Evanston, Cook County, Illinois, held at the City Hall, located at 2100 Ridge Avenue, in said City, at 7:29 p.m., on Monday, the 25th day of June 2012.

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

Upon the roll being called, the Mayor, Elizabeth B. Tisdahl, being physically present at such place and time, and the following Aldermen, being physically present at such place and time, answered present: Holmes, Jendern, Grover, Rainey, Burrus, Fiske, Braithwaite, Wynne, Wilson.

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

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

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

* * * * *

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

* * * * *

The City Council then discussed a proposed capital improvement program for the City and considered the *introduction of* an ordinance providing for the issuance of one or more series of General Obligation Corporate Purpose Bonds, Series 2012A of the City, authorizing the execution of one or more bond orders in connection therewith and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

Thereupon, Alderman Rainey presented an ordinance entitled:

AN ORDINANCE providing for the issuance of one or more series of not to exceed \$16,220,000 General Obligation Corporate Purpose Bonds, Series 2012A, of the City of Evanston, Cook County, Illinois, for capital improvement and refunding purposes, authorizing the execution of one or more bond orders in connection therewith and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

(the "*Bond Ordinance*").

A discussion of the matter followed. During the discussion, Alderman Rainey gave a public recital of the nature of the matter, which included a reading of the title of the Bond Ordinance and review of the certain provisions of the ordinance, and the following further information.

[Here insert further statements, if any]

Alderman Raney moved and Alderman Shover seconded the motion that the Bond Ordinance as presented be introduced.

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

Upon the roll being called, the following Aldermen voted AYE: Holmes, Jendram, Shover, Ranney, Burrus, Fiske, Braithwaite, Wynne, Wilson and the following Aldermen voted NAY: N/A

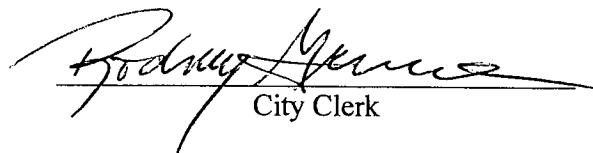
WHEREUPON, the Mayor declared the motion carried and the ordinance introduced, and henceforth did approve and sign the same in open meeting, and did direct the City Clerk to record the same in full in the records of the City of Evanston, Cook County, Illinois.

* * * * *

Other business was duly transacted at said meeting.

* * * * *

Upon motion duly made and carried, the meeting adjourned.


City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF AGENDA AND INTRODUCTION MINUTES

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

I do further certify that the foregoing extract of minutes is a full, true, and complete transcript of that portion of the minutes of the meeting (the “Meeting”) of the Corporate Authorities held on the 25th day of June 2012 insofar as the same relates to the introduction of an ordinance, numbered 67-O-12, entitled:

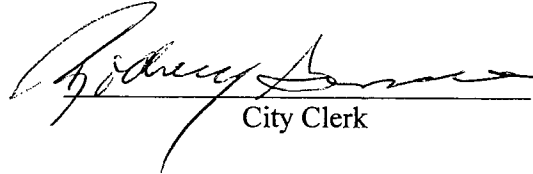
AN ORDINANCE providing for the issuance of one or more series of not to exceed \$16,220,000 General Obligation Corporate Purpose Bonds, Series 2012A, of the City of Evanston, Cook County, Illinois, for capital improvement and refunding purposes, authorizing the execution of one or more bond orders in connection therewith and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

(the “Ordinance”) a true, correct, and complete copy of which Ordinance as introduced 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 introduction of the Ordinance were taken openly; that the vote on the introduction of the Ordinance was taken openly; that the Meeting was held at a specified time and place convenient to the public; that notice of the Meeting was duly given to all newspapers, radio or television stations, and other news media requesting such notice; that an agenda (the “Agenda”) for the Meeting was posted at the location where the Meeting was held and at the principal office of the Corporate Authorities

(both such locations being at City Hall) at least 48 hours in advance of the Meeting and also not later than 5:00 p.m. on Friday, June 22, 2012; that said Agenda contained a separate specific item relating to the consideration of the Ordinance and *that a true, correct, and complete copy of said Agenda as so posted is attached to this certificate*; that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended; and the Illinois Municipal Code, as amended; and that the Corporate Authorities have complied with all of the provisions of such Act and Code and with all of the procedural rules of the Corporate Authorities in the adoption of the Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City this 11th day of July 2012.


City Clerk

[SEAL]

EXTRACT OF MINUTES of the regular public meeting of the City Council of the City of Evanston, Cook County, Illinois, held at the City Hall, located at 2100 Ridge Avenue, in said City, at 8:11 p.m., on Monday, the 9th day of July 2012.

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

Upon the roll being called, the Mayor, Elizabeth B. Tisdahl, being physically present at such place and time, and the following Aldermen, being physically present at such place and time, answered present: Drover, Ramey, Burrus, Fiske, Braithwaite, Wynne, Wilson, Holmes.

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

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

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

* * * * *

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

* * * * *

The City Council then discussed a proposed capital improvement program for the City and considered an ordinance providing for the issuance of one or more series of General Obligation Corporate Purpose Bonds, Series 2012A of the City, authorizing the execution of one or more bond orders in connection therewith and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

Thereupon, Alderman Ramey presented an ordinance entitled:

AN ORDINANCE providing for the issuance of one or more series of not to exceed \$16,220,000 General Obligation Corporate Purpose Bonds, Series 2012A, of the City of Evanston, Cook County, Illinois, for capital improvement and refunding purposes, authorizing the execution of one or more bond orders in connection therewith and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

(the "*Bond Ordinance*").

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

[Here insert further statements, if any]

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

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

Upon the roll being called, the following Aldermen voted AYE: Grover, Rainey, Burrus, Fiske, Braithwaite, Wynne, Wilson, Holmes.
and the following Aldermen voted NAY: N/A

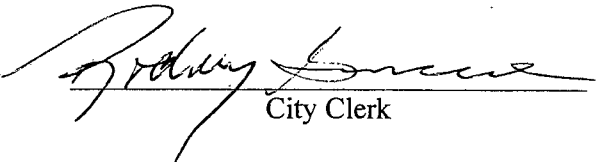
WHEREUPON, the Mayor declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the City Clerk to record the same in full in the records of the City of Evanston, Cook County, Illinois.

* * * * *

Other business was duly transacted at said meeting.

* * * * *

Upon motion duly made and carried, the meeting adjourned.



City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF AGENDA, ADOPTION MINUTES AND ORDINANCE

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

I do further certify that the foregoing extract of minutes is a full, true, and complete transcript of that portion of the minutes of the meeting (the "*Meeting*") of the Corporate Authorities held on the 9th day of July 2012 insofar as the same relates to the adoption of an ordinance, numbered 67-O-12, entitled:

AN ORDINANCE providing for the issuance of one or more series of not to exceed \$16,220,000 General Obligation Corporate Purpose Bonds, Series 2012A, of the City of Evanston, Cook County, Illinois, for capital improvement and refunding purposes, authorizing the execution of one or more bond orders in connection therewith and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

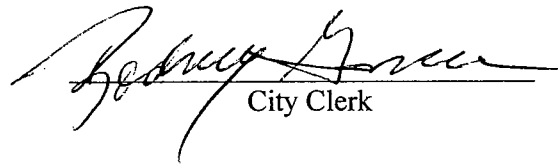
(the "*Ordinance*") a true, correct, and complete copy of which Ordinance as adopted at the Meeting appears in the foregoing transcript of the minutes of the Meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of the Ordinance were taken openly; that the vote on the adoption of the Ordinance was taken openly; that the Meeting was held at a specified time and place convenient to the public; that notice of the Meeting was duly given to all newspapers, radio or television stations, and other news media requesting such notice; that an agenda (the "*Agenda*") for the Meeting was posted at the location where the Meeting was held and at the principal office of the Corporate Authorities

(both such locations being at City Hall) at least 48 hours in advance of the Meeting and also not later than 5:00 p.m. on Friday, July 6, 2012; that said Agenda contained a separate specific item relating to the consideration of the Ordinance and *that a true, correct, and complete copy of said Agenda as so posted is attached to this certificate*; that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended; and the Illinois Municipal Code, as amended; and that the Corporate Authorities have complied with all of the provisions of such Act and Code and with all of the procedural rules of the Corporate Authorities in the adoption of the Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City this

11th day of July 2012.


City Clerk

[SEAL]

