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JUN 09 1998

ORDINANCE NUMBER F-0248

AN ORDINANCE providing for the issuance of General Obligation Bonds, Series 1998, of the City of Wheaton, DuPage 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. *Greg A. Kelly*
DuPage County Clerk

WHEREAS, the City Council (the "*Corporate Authorities*") of the City of Wheaton, DuPage County, Illinois (the "*City*"), have heretofore determined that it is necessary and advisable for the public health, safety, welfare, and convenience of residents of the City that the City undertake a redevelopment project and have heretofore convened a joint review board, held a public hearing, approved a redevelopment plan (the "*Plan*") and designated a redevelopment project area (the "*Project Area*") for that portion of the City known as the Downtown Wheaton Redevelopment Project Area, and have further adopted tax increment allocation financing and established a special tax allocation fund (the "*Fund*") for the Project Area, all as authorized by the Tax Increment Allocation Redevelopment Act, as amended (the "*TIF Act*"); and

WHEREAS, the City has heretofore issued and there are now outstanding certain General Obligation Bonds, Series 1995A and 1995B (collectively, the "*Prior Bonds*"), for the purpose of paying a part of the redevelopment project costs incurred for the Project Area; and

WHEREAS, pursuant to the proceedings adopted by the Corporate Authorities to approve the issuance of the Prior Bonds the City has expressly reserved unto itself the right to issue additional bonds without limit which are secured by the "Incremental Taxes" (as defined in such proceedings) pledged to the payment of the Prior Bonds; and

WHEREAS, the Corporate Authorities have heretofore and it hereby is determined that it is necessary, desirable and in the best interests of the City that the Project Area be

redeveloped and that the City assist in the redevelopment thereof by paying certain costs relating thereto, including without limitation, public improvements, being a public parking garage, streets and roadways, sidewalks, lighting and related public walkways, and professional and administrative service, bond issuance, capitalized interest and other related costs (collectively, the "1998 TIF Project"), all of which constitute eligible redevelopment project costs as defined in the TIF Act and as contemplated in the Plan; and

WHEREAS, there are insufficient funds of the City on hand and lawfully available to pay such costs of the 1998 TIF Project; and

WHEREAS, pursuant to Division 6 of Article VII of the 1970 Constitution of the State of Illinois (the "Act") the City is a home rule unit, and as such the City is authorized to issue its full faith and credit obligations without first submitting the question of issuing such obligations to referendum approval; and

WHEREAS, pursuant to the TIF Act, as supplemented by the Local Government Debt Reform Act, as amended, and by the Act, the City may rely upon its home rule powers under the Act to issue general obligation bonds and further secure said bonds by pledging the monies on deposit in and to the credit of the Fund to the payment of said obligations; and

WHEREAS, the Corporate Authorities do hereby determine that it is advisable and in the best interests of the City to borrow \$4,750,000 at this time for the purpose of paying the cost of the 1998 TIF Project and, in evidence of such borrowing, issue its full faith and credit tax increment allocation bonds in the principal amount of \$4,750,000:

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

Section I. Definitions. In addition to such other words and terms used and defined in this Ordinance, the following words and terms used in this Ordinance shall have the

following meanings, unless, in either case, the context or use clearly indicates another or different meaning is intended:

"Act" means, collectively, Division 6 of Article VII of the 1970 Constitution of the State of Illinois, as supplemented by the TIF Act, and specifically as supplemented by the Local Government Debt Reform Act and the other Omnibus Bond Acts, as supplemented and amended.

"Additional Bonds" means any bonds issued in the future on a parity with and sharing ratably and equally in the Incremental Taxes with the Bonds and the Prior Bonds.

"Bond" or *"Bonds"* means one or more, as applicable, of the General Obligation Bonds, Series 1998, authorized to be issued by this Ordinance.

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

"Bond Fund" means the Principal and Interest Account created in Section 13 of this Ordinance.

"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 LaSalle National Bank, Chicago, Illinois, and successors or assigns.

"City" means the City of Wheaton, DuPage County, Illinois.

"Code" means the Internal Revenue Code of 1986, as amended.

"Corporate Authorities" means the City Council of the City.

"County" means The County of DuPage, Illinois.

"County Clerk" means the County Clerk of the County.

"Depository" means The Depository Trust Company, New York, New York, or successor or assigns duly qualified to clear securities through a book-entry only system.

"Designated Officer" means the Mayor, Clerk, or Director of Finance of the City, or successors or assigns.

"1998 Full Faith and Credit Taxes" means the unlimited ad valorem taxes levied by and under this Ordinance on all of the taxable property in the City, sufficient to pay all principal of and interest on the Bonds when due.

"Government Obligations" means direct, full faith and credit obligations of the United States.

"Incremental Taxes" means the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk in accord with Section 11-74.4-9 of the Act.

"Interest Requirement" means, for any Bonds and for any Bond Year, the aggregate amount of interest payable on such Bonds, the Prior Bonds and any Additional Bonds during such Bond Year.

"Ordinance" means this Ordinance, numbered as set forth on the title page hereof and passed by the Corporate Authorities on the 1st day of June, 1998.

"Outstanding" or *"outstanding"* when used with reference to any Bond or Additional Bonds means a Bond, Prior Bond or Additional Bond which is outstanding and unpaid; *provided, however*, such term shall not include Bonds, Prior Bonds or Additional Bonds (i) which have matured and for which moneys are on deposit with proper paying agents or are otherwise sufficiently available to pay all principal thereof and interest thereon or (ii) the provision for payment of which has been made by the City by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of, redemption premium, if any, and interest on such Bonds, Prior Bonds or Additional Bonds.

"Paying Agent" means LaSalle National Bank, Chicago, Illinois, and successors or assigns.

"Plan" means the redevelopment plan heretofore approved by the Corporate Authorities for the Project Area, as amended or supplemented from time to time.

"Pledged Taxes" means the 1998 Full Faith and Credit Taxes and the Incremental Taxes together.

"Principal Requirement" means, for any Bonds and for any Bond Year, the aggregate principal amount of the Bonds, the Prior Bonds and any Additional Bonds having a Stated Maturity during such Bond Year.

"Prior Bonds" means the General Obligation Bonds, Series 1995A and 1995B, heretofore issued by the City and now outstanding.

"Project Area" means the Downtown Wheaton Redevelopment Project Area heretofore designated by the Corporate Authorities in and for the City.

"1998 TIF Project" means the portion of the redevelopment project heretofore approved for the Project Area so identified in the preambles hereto.

"Purchase Price" means the amount of \$4,726,250.35, paid by the Purchaser for the Bonds.

"Purchaser" means Banc One Capital Markets, Inc., Milwaukee, Wisconsin.

"Qualified Investments" means any investments as may be from time to time authorized for City monies under Illinois law.

"Rebate Fund" means the 148 Compliance Fund created in Section 17 of this Ordinance.

"Record Date" means the fifteenth day of the calendar month next preceding any regularly scheduled interest payment date, and for any interest payment date occasioned by the redemption of Bonds on other than a regularly scheduled interest payment date, the fifteenth day prior to said redemption date.

"Representation Letter" means such written letter or agreement by and between the Depository and the City as shall be necessary to effectuate a book-entry only system for the Bonds.

"Special Tax Allocation Fund" or *"Fund"* means the Special Tax Allocation Fund for the Downtown Wheaton Redevelopment Project Area, which is a special tax allocation fund for the Project Area heretofore established pursuant to Section 11-74.4-8 of the Act and continued and further described by Section 13 of this Ordinance.

"Stated Maturity" when used with respect to any Bond, Prior Bond or Additional Bond or any interest thereon means the date specified in such Bond, Prior Bond or Additional Bond as the fixed date on which the principal of such Bond, Prior

Bond or Additional Bond or such interest is due and payable, whether by maturity or otherwise.

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

"Tax Year" means, for any year for which 1998 Full Faith and Credit Taxes are herein levied, the year in which such 1998 Full Faith and Credit Taxes are to be extended for collection.

"Treasurer" means the Treasurer of the City.

"Total Initial Equalized Assessed Value" means the total initial equalized assessed value of the taxable real property in the Project Area as determined by the County Clerk in accordance with Section 11-74.4-9 of the Act.

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 undertake the 1998 TIF Project, to pay all related costs and expenses incidental thereto, to borrow money and issue the Bonds and to provide for capitalized interest thereon. 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.

Section 4. Bond Details. For the purpose of providing for the payment of a part of the costs of the 1998 TIF Project, and to pay all related costs and expenses incidental thereto, there shall be issued and sold the Bonds in the aggregate principal amount of \$4,750,000. The Bonds shall each be designated "General Obligation Bond, Series 1998"; be dated June 15, 1998 (the "*Dated Date*"); and shall also bear the date of authentication thereof. The Bonds shall be in fully registered form, shall be in denominations of \$5,000 or integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), shall be numbered consecutively in such fashion as shall be determined by the Trustee, and shall become due and payable serially on December 1 of the years and in the amounts and bearing interest at the rates percent per annum as follows (subject, however, to the right of prior redemption as hereinafter stated):

YEAR	AMOUNT (\$)	RATE (%)
2001	50,000	4.30
2002	60,000	4.30
2003	70,000	4.35
2004	80,000	4.35
2005	100,000	4.35
2006	110,000	4.35
2007	125,000	4.35
2008	150,000	4.375
2009	200,000	4.40
2010	300,000	4.45
2011	400,000	4.50
2012	455,000	4.55
2013	650,000	4.60
2014	1,000,000	4.625
2015	1,000,000	4.65

Each Bond shall bear interest 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

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1 and December 1 of each year, commencing on December 1, 1998. Interest on each Bond shall be paid by check or draft of the Paying Agent, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the Record Date or as otherwise agreed by the City and the Depository, or its nominee, for so long as the Bonds are held in a book-entry only system as hereinafter provided. The principal of and redemption premium, if any, due on the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal corporate trust office of the Paying Agent maintained for the purpose in the City of Chicago, Illinois, or at successor Paying Agent and locality.

It is hereby expressly found and determined that no Bond matures on a date which is later than twenty (20) years from its Dated Date or which is later than the date which is twenty-three (23) years after the date on which the Corporate Authorities adopted the ordinances approving the Plan and Project, designating the Project Area and adopting tax increment allocation financing therefor.

Section 5. Execution; Authentication. The Bonds shall be executed on behalf of the City by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the City. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any

purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 6. Optional Redemption. The Bonds maturing on December 1, 2007, and thereafter, are subject to redemption prior to maturity at the option of the City, in whole or in part, from any available funds, and if in part, in such principal amounts and from such maturities as determined by the City, and within any maturity by lot as selected by the Bond Registrar as hereinafter provided, on December 1, 2006, and on any date thereafter, at a redemption price of par plus accrued interest to the date fixed for redemption.

The City shall, at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the maturities and principal amounts of Bonds to be redeemed. For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 60 days prior to the redemption date by the Bond Registrar for the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion.

The Bond Registrar shall promptly notify the City and the Paying Agent in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

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

All official notices of redemption shall include at least the information as follows:

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

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

Such additional notice as shall be agreed between the City and the Depository shall be given for so long as the Bonds remain in a book-entry only system as herein provided.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price), such Bonds or portions of Bonds shall cease to bear interest. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

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

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

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

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

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

Each further notice of redemption shall be published one time in a financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

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

Section 7. Book-Entry System Authorized; Registration of Bonds; Persons Treated as Owners. **(a) Book-Entry Only System Authorized.** The Bonds shall be initially issued in the form of a separate single fully registered Bond for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register therefor in the name of Cede & Co., or any successor thereto, as nominee of the Depository. All of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of Cede & Co., as nominee of the Depository. Any Designated Officer is authorized to execute and deliver on behalf of the City a Representation Letter. Without limiting the generality of the authority given to such Designated Officer with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interest therein, (c) redemption notices or procedures unique to the Depository, (d) additional notices or communications, and

(e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of the Depository, the City and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institutions for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "*Depository Participant*") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the City and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, or any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds.

No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name "Cede & Co." in this Ordinance shall refer to such new nominee of the Depository.

In the event that (a) the City determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the City, the Bond Registrar and the Depository evidenced by the Representation Letter shall be terminated for any reason, or (c) the City determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify the Depository of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of the Depository. The City may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, as may be acceptable to the City, or such depository's agent or designee, and if the City does not select such alternate book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Depository, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

In the event that the Bonds ever become generally registrable, as aforesaid, the City Treasurer may, in his or her discretion at such time, designate a bank with trust powers or trust company, duly authorized to do business as a bond registrar, paying agent, or both, to act in one or both such capacities hereunder, in the event that the City Treasurer shall determine it to be advisable. Notice shall be given to the registered owners of any such

designation in the same manner, as near as may be practicable, as for a notice of redemption of Bonds, and as if the date of such successor taking up its duties were the redemption date.

(b) Registration.

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

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date or the giving of notice of redemption of Bonds to the opening of business on the relevant interest payment or redemption date or to transfer or exchange any Bond all or a portion of which has been called for redemption.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenti-

cate, date and deliver such Bond; *provided, however*, the principal amount of Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made to any registered owner of Bonds for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Section 8. Security. The City hereby pledges the Incremental Taxes and the 1998 Full Faith and Credit Taxes to secure the Bonds. The Bonds, together with the interest and any premium thereon, are payable from the collection of the Incremental Taxes and the amounts on deposit in the various funds and accounts of the Special Tax Allocation Fund as hereinafter provided and are further secured by the full faith and credit of the City and the City's levy of the 1998 Full Faith and Credit Taxes.

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

reverse side of the Bond shall be inserted immediately after the first paragraph on the front side.

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[Form of Bond - Front Side]

REGISTERED
NO.

REGISTERED
\$

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF DUPAGE

CITY OF WHEATON

GENERAL OBLIGATION BOND

SERIES 1998

See Reverse Side for
Additional Provisions

Interest	Maturity	Dated	
Rate:	Date:	Date: June 15, 1998	CUSIP

Registered Owner:

Principal Amount Dollars

KNOW ALL PERSONS BY THESE PRESENTS that the City of Wheaton, DuPage County, Illinois, a municipality, home rule unit and political subdivision of the State of Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on June 1 and December 1 of each year, commencing December 1, 1998, until the Principal Amount is

paid or duly provided for, except as the hereinafter stated provisions for redemption prior to maturity may and shall become applicable hereto. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the principal corporate trust office of LaSalle National Bank, Illinois, as bond registrar and paying agent (the "*Bond Registrar*"), in Chicago, Illinois. 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 Record Date and shall be paid by check or draft of the Paying Agent, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books, or as otherwise agreed with the Depository for so long as this Bond shall remain in book-entry only form.

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.

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 Wheaton, DuPage 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 Wheaton
DuPage County, Illinois

Attest:

City Clerk, City of Wheaton
DuPage County, Illinois

[SEAL]

Date of Authentication: _____, _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Bonds, Series 1998, having a Dated Date of June 15, 1998, of the City of Wheaton, DuPage County, Illinois.

Bond Registrar and Paying Agent:
LaSalle National Bank, Illinois

LaSalle National Bank,
as Bond Registrar

By _____
Authorized Officer

[Form of Bond - Reverse Side]

This bond and each bond of the series of which it forms a part (the "*Bonds*") are issued pursuant to Division 6 of Article VII of the 1970 Constitution of the State of Illinois, as supplemented by Division 74.4 of Article 11 of the Illinois Municipal Code, as supplemented and amended, and particularly as supplemented by the Local Government Debt Reform Act of the State of Illinois, as supplemented and amended (collectively, the "*Act*"). The Bonds are being issued to pay a portion of certain redevelopment project costs in and for the Downtown Wheaton Redevelopment Project Area of the City (the "*Project Area*"), all as more fully described in proceedings adopted by the City Council of the City (the "*Corporate Authorities*") and in an ordinance authorizing the issuance of the Bonds adopted by the Corporate Authorities on June 1, 1998 (the "*Bond Ordinance*"), to all the provisions of which the holder by acceptance of this Bond assents. The principal of and premium, if any, and interest on the Bonds are payable from (i) unlimited ad valorem taxes levied on all of the taxable property in the City sufficient to pay when due all principal of and interest on the Bonds (the "*1998 Full Faith and Credit Taxes*") and (ii) on a parity with certain heretofore issued and now outstanding General Obligation Bonds, Series 1995A and 1995B (collectively, the "*Prior Bonds*"), (a) the Incremental Taxes (as hereinafter defined), and (b) the amounts on deposit in and to the credit of the various funds and accounts of the special tax allocation fund heretofore created for the Project Area pursuant to the Act (the "*Special Tax Allocation Fund*"). Under the Bond Ordinance, the "*Incremental Taxes*" constitute the ad valorem taxes, if any, arising from taxes levied by any and all taxing districts or municipal corporations having the power to tax real property upon taxable real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the "initial equalized assessed valuation" of each such piece of property

as provided in the Act. Under the Bond Ordinance, the Incremental Taxes and the 1998 Full Faith and Credit Taxes constitute, collectively, the "*Pledged Taxes*." Additional Bonds may be issued pursuant to the terms of the Bond Ordinance, provided, however, that no Additional Bonds shall be secured by the 1998 Full Faith and Credit Taxes but shall share ratably and equally with the Bonds and the Prior Bonds solely as to the pledge of the Incremental Taxes. The Prior Bonds are further secured by a pledge of unlimited ad valorem taxes (the "*1995 Full Faith and Credit Taxes*"). Neither the Bonds nor any Additional Bonds are or shall be secured by the 1995 Full Faith and Credit Taxes. For the prompt payment of this Bond, both principal and interest as aforesaid, at maturity, the Pledged Taxes, including the full faith and credit of the City, are hereby irrevocably pledged.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, have existed and have been properly done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the City, represented by the Bonds, and including all other indebtedness of the City, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the allocation of the Incremental Taxes and the collection of the 1998 Full Faith and Credit Taxes and for depositing the Incremental Taxes into the Special Tax Allocation Fund, and further, that the City will properly account for the Pledged Taxes and will comply with all of the covenants and maintain the funds and accounts as provided by the Ordinance. The 1998 Full Faith and Credit Taxes on deposit in and to the credit of 1998 Full Faith and Credit Taxes Account shall be used first and are pledged for paying the principal of, interest on, and premium, if any, on the Bonds.

The Bonds due on December 1, 2007, and thereafter are also subject to redemption prior to maturity, at the option of the City, from any available funds, in whole or in part on any date on or after December 1, 2006, and if in part, in such principal amounts and from such maturities as determined by the City, and if less than an entire maturity, in integral multiples of \$5,000, selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the date of redemption.

Unless waived by the Registered Owner of Bonds to be redeemed, notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by registered or certified mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular Registered Owner of a Bond, shall affect the sufficiency of such notice with respect to other Registered Owners. Notice having been properly given, failure of a Registered Owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a Registered Owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond

Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

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 the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the Registered Owner or an attorney for such owner duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the Registered Owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date or the giving of notice of redemption of the Bonds to the opening of business on the relevant interest payment or redemption date or to transfer or exchange any Bond all or a portion of which has been called for redemption.

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

The City has designated this Bond a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

ASSIGNMENT

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

(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. Tax Levy. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose; and there is hereby levied on all of the taxable property in the City, in addition to all other taxes, the direct annual taxes (the "1998 Full Faith and Credit Taxes") in the amounts as follows:

FOR THE YEAR

A TAX SUFFICIENT TO PRODUCE THE SUM OF:

1998	\$ 215,892.50	for interest to and including December 1, 1999 [net of \$99,550.43 Incremental Taxes on deposit and to be received]
1999	215,892.50	for interest
2000	265,892.50	for principal and interest
2001	273,742.50	for principal and interest
2002	281,162.50	for principal and interest
2003	288,117.50	for principal and interest
2004	304,637.50	for principal and interest
2005	310,287.50	for principal and interest
2006	320,502.50	for principal and interest
2007	340,065.00	for principal and interest
2008	383,502.50	for principal and interest
2009	474,702.50	for principal and interest
2010	561,352.50	for principal and interest
2011	598,352.50	for principal and interest
2012	772,650.00	for principal and interest
2013	1,092,750.00	for principal and interest
2014	1,046,500.00	for principal and interest

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 1998 Full Faith and Credit Taxes. The City and its officers will comply with all present and future applicable laws in order to assure that the 1998 Full Faith and Credit Taxes may be levied, extended and collected as provided herein and deposited into the "1998 Full Faith and Credit Taxes Account" hereby created, which account shall be held by the City as a trust fund for the benefit of the registered owners of the Bonds and shall be held segregated and apart from other funds of the City. In the event that the 1998 Full Faith and Credit Taxes, or any of them, are ever extended for collection, such taxes shall be immediately transmitted by the City upon receipt for deposit into the 1998 Full Faith and Credit Taxes Account and shall be used solely and only to pay the Principal Requirement and the Interest Requirement on the Bonds. Monies to the credit of the 1998 Full Faith and

Credit Taxes Account shall be used first and are pledged solely and only for paying the principal of and interest and applicable premium on the Bonds.

Interest or principal coming due at any time when there are insufficient funds on hand from the 1998 Full Faith and Credit Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the 1998 Full Faith and Credit Taxes herein levied; and when the 1998 Full Faith and Credit Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

Whenever other funds from any lawful source are made available to pay principal of and interest on the Bonds, the Corporate Authorities shall, by proper proceedings, direct the deposit of the same into the Bond Fund and further shall direct the abatement of the 1998 Full Faith and Credit Taxes by the amount so deposited. Additionally, whenever the Incremental Taxes shall have been determined by the Corporate Authorities to be sufficient to pay principal of and interest on the Bonds, by proper proceedings the Corporate Authorities shall direct the abatement of the 1998 Full Faith and Credit Taxes. Proper notification of any such abatement shall be filed with the County Clerk in a timely manner to effect such abatement.

Section 11. Filing with County Clerk. Promptly, as soon as this Ordinance becomes effective, a copy hereof, certified by the City Clerk of the City, shall be filed with the County Clerk, and said County Clerk shall in and for each of the years 1998 to 2014, inclusive, ascertain the rate percent required to produce the aggregate tax hereinbefore provided to be levied in each of said years and in said County; and said County Clerk shall (to the extent said tax has not been abated as provided herein) extend the same for collection on the tax books in connection with any other taxes that may be levied in said years in and by the City for general corporate purposes of the City; and in said years such annual tax

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shall be levied and collected by and for and on behalf of the City in like manner as provided by law for the levy and collection of taxes for general corporate purposes for said years, without limit as to either rate or amount, and in addition to and in excess of all other taxes.

Section 12. Sale of Bonds. The Bonds shall be executed by the officials of the City, as hereinabove provided, as soon as may be after this Ordinance becomes effective, and shall be deposited with the Treasurer and, after due authentication by the Bond Registrar, shall be delivered by said Treasurer to the Purchaser, upon receipt of the Purchase Price therefor; the contract for the sale of the Bonds heretofore entered into is in all respects ratified, approved and confirmed, it being hereby determined that said contract is in the best interests of the City and that no person holding an 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 said contract for the purchase of the Bonds. The Designated Officers are hereby authorized to execute, without further official action or direction by the Corporate Authorities, such offering memoranda or documents, tax exemption certifications and agreements, and closing documents as shall be required to effectuate the delivery of the Bonds.

Section 13. Special Tax Allocation Fund and Accounts. The Special Tax Allocation Fund is hereby expressly continued. All of the Incremental Taxes, any amounts received from the sale of property acquired or constructed and paid for from proceeds of the Bonds, and any other revenues from any source whatsoever designated to pay principal of, interest on and premium, if any, on the Bonds shall be set aside as collected and be immediately transmitted by the Treasurer for deposit into the Special Tax Allocation Fund which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance. The Bonds are secured equally and ratably with

the Prior Bonds by a pledge of all of the Incremental Taxes on deposit in the Special Tax Allocation Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the City are discharged under this Ordinance.

In accordance with the provisions of the Act, the Incremental Taxes are to be paid to the Treasurer by the officers who collect or receive the Incremental Taxes. Whenever the Treasurer receives any of the Incremental Taxes he or she shall promptly transmit the same for deposit into the Special Tax Allocation Fund. The moneys on deposit in the Special Tax Allocation Fund shall be used solely and only for the purpose of carrying out the terms and conditions of this Ordinance and shall be deposited as hereinafter provided to the following accounts within the Special Tax Allocation Fund:

(a) *The Principal and Interest Account.* The Treasurer shall first credit to and deposit the Incremental Taxes into the Principal and Interest Account and, except as hereinafter provided, such moneys shall be used solely and only for the purpose of paying principal of and interest on Outstanding Bonds as the same become due upon maturity, together with any fees in connection therewith.

If, upon any Accounting, there are funds in the Principal and Interest Account in excess of the Principal Requirement and the Interest Requirement, such funds shall first be transferred to the General Account as provided below.

(b) *The General Account.* All moneys remaining in the Special Tax Allocation Fund, after crediting the required amounts to the account hereinabove provided for, shall be credited to the General Account. Moneys on deposit in the General Account shall be transferred first, if necessary, to remedy any deficiencies in the Principal and Interest Account and, thereafter, subject to the provisions of any agreement hereafter executed by the City and relating to the use thereof, shall be used

by the City for one or more of the following purposes, without any priority among them:

- (i) for the purpose of paying any Project Costs; or
- (ii) for the purpose of redeeming any Bonds, Prior Bonds or Additional Bonds;
- (iii) for the purpose of purchasing any Bonds, Prior Bonds or Additional Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or
- (iv) for the purpose of refunding, advance refunding or pre-paying any Bonds, Prior Bonds or Additional Bonds; or
- (v) for the purpose of establishing such reserves, specifically including such debt service reserve or redemption accounts, as may be deemed necessary by the Corporate Authorities, it being the express intent of the Corporate Authorities to reserve unto the City the right to establish such reserve or reserves in order to assure that the 1998 Full Faith and Credit Taxes may be abated in each Tax Year while there are any Outstanding Bonds;
- (vi) for the purpose of distributing such Incremental Taxes to the taxing districts or municipal corporations having the power to tax real property in the Project Area in accordance with the Act or to the City pursuant to any redevelopment agreement; or
- (vii) for the purpose of paying principal of, or premium, if any, or interest on any obligation of the City issued to pay redevelopment project costs for the Project Area whether or not secured by a pledge of the monies to the credit of the Special Tax Allocation Fund;
- (viii) for the purpose of reimbursing the City for any transfer of general corporate funds of the City for purposes relating to the Plan or the Project, including but not limited to funds disbursed for the payment of fees and expenses of the Bond Registrar or any other Project Costs or funds advanced to abate the 1998 Full Faith and Credit Taxes and whether or not such reimbursement occurs in the relevant Tax Year for which such advance was made; or
- (ix) for any other purpose related to the Plan or for the Project Area pursuant to the Act.

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(c) *Investments.* The moneys on deposit in the Special Tax Allocation Fund and the various accounts therein may be invested by the Treasurer from time to time in Qualified Investments. With no further official action or direction of the Corporate Authorities any such investments may be sold by the Treasurer from time to time as moneys may be needed for the purposes for which the Special Tax Allocation Fund and such accounts have been created. In addition, the Treasurer shall sell such investments when necessary to remedy any deficiency in the Special Tax Allocation Fund or such accounts created therein. All investment earnings shall be attributed to the account within the Special Tax Allocation Fund for which the investment was made.

Section 14. General Covenants. The City covenants and agrees with the registered owners of the Bonds that, so long as any Bonds remain outstanding and unpaid:

(a) The City will punctually pay or cause to be paid the principal of, interest on and premium, if any, to become due in respect of the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof and hereof.

(b) The City will pay and discharge, or cause to be paid and discharged, any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Taxes or any part thereof, or upon any funds in the Special Tax Allocation Fund, or which might impair the security of the Bonds. Nothing herein contained shall require the City to make any such payment so long as the City in good faith shall contest the validity of said claims.

(c) The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete

and correct entries shall be made of all transactions relating to the Series 1998 TIF Project, the Project Area and the Pledged Taxes and will timely file such records and reports with the State as may be required pursuant to the TIF Act. Such books of record and accounts shall at all times during business hours be subject to the inspection of the holders of not less than ten percent (10%) of the aggregate principal amount of Bonds then outstanding, or their representatives authorized in writing.

The City will cause to be prepared within a reasonable period after the close of each fiscal year of the City so long as any of the Bonds are outstanding complete audited financial statements with respect to the preceding fiscal year showing the Pledged Taxes received, all disbursements from the funds and accounts created by this Ordinance and the financial condition of the Project Area, including the balances in all funds and accounts relating to the Bonds and the Project Area as of the end of such fiscal year. The City will furnish a copy of such statements to the State and any other information the State shall require as, if and when required under the TIF Act.

(d) The City will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

(e) The City will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance and for the better assuring and confirming unto the holders of the Bonds of the rights and benefits provided in this Ordinance.

(f) As long as any Bonds are outstanding, the City will continue to deposit the Incremental Taxes into the Special Tax Allocation Fund. The City covenants and agrees with the purchaser of the Bonds and with the registered owners thereof that so long as any 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 collect the Incremental Taxes. The City and its officers will comply with the Act and with all present and future applicable laws in order to assure that such taxes may be collected as provided herein and deposited into the Special Tax Allocation Fund.

Section 15. Creation of Funds and Appropriations. Accrued interest and premium, if any, on the Bonds shall be and is hereby appropriated for the purpose of paying first interest due on the Bonds and to such end is hereby ordered to be deposited into the Bond Fund.

The sum necessary from the proceeds of the Bonds shall be deposited into a separate fund, hereby created, designated the "*Expense Fund*" to be held by the City and used to pay expenses of issuance of the Bonds. Disbursements shall be made by the Treasurer from time to time from such fund as necessary.

The sum of the remaining principal proceeds of the Bonds and the portion of accrued interest thereon as is necessary, together with such money then on deposit in the Special Tax Allocation Fund and lawfully available, shall be set aside in a separate and segregated fund held by the City and hereby created and to be known as the "*1998 TIF Project Fund*" (the "*Project Fund*"). The Treasurer is hereby authorized to disburse monies from the Project Fund for payment of costs of the 1998 TIF Project in accordance with normal City disbursement procedures with no further official action of the Corporate Authorities.

Section 16. Additional Bonds. The City reserves the right to issue Additional Bonds without limit from time to time for the purposes authorized in the Plan or as otherwise provided in the Act.

Section 17. General Arbitrage Covenants. The City represents and certifies as follows with respect to the requirements of Section 148(f) of the Code relating to the payment of "*excess arbitrage profits*" (the "*Rebate Requirement*") to the United States:

(i) Unless an applicable exception to the Rebate Requirement is available, the City will meet the Rebate Requirement.

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

(iii) The Designated Officers shall cause to be established, at such time and in such manner as they shall deem necessary or appropriate hereunder, a "*1998 General Obligation Bonds Rebate [or Penalty, if applicable] Fund*" (the "*148 Compliance Fund*") for the Bonds, and such officers shall further, not less frequently than annually, cause to be transferred to the 148 Compliance Fund the amount determined to be the accrued liability under the Rebate Requirement of Penalty. Said officers shall cause to be paid to the United States, without further order or direction from the Corporate Authorities, from time to time as required, amounts sufficient to meet the Rebate Requirement or to pay the Penalty.

(iv) Interest earnings in the Principal and Interest Account are hereby authorized to be transferred, without further order or direction from the Corporate Authorities, from time to time as required, to the 148 Compliance Fund for the purposes herein provided; and proceeds of the Bonds and other funds of the City are also hereby authorized to be used to meet the Rebate Requirement or to pay the Penalty, but only if necessary after application of investment earnings as aforesaid and only as appropriated by the Corporate Authorities.

With respect to the general requirements of Section 148 of the Code, the Corporate Authorities certify and further covenant with the purchasers and holders of the Bonds from time to time outstanding, that so long as any of the Bonds remain outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys

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were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be "*arbitrage bonds*" within the meaning of Section 148(a) of the Code, and any lawful regulations promulgated or proposed thereunder, or under the Internal Revenue Code of 1954, as amended. The Corporate Authorities reserve the right, however, to make any investment of such moneys permitted by Illinois law if, when and to the extent that said Section 148(a) or regulations promulgated thereunder or under the Internal Revenue Code of 1954, as amended, shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the opinion of counsel of recognized competence in such matters, result in making the interest on the Bonds subject to federal income taxation.

The City also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal law is adopted in the future which applies to the Bonds and affects the Tax-exempt status of the Bonds.

Section 18. Further Tax Covenants. The City agrees to comply with all provisions of the present Code which, if not complied with by the City, would cause the Bonds not to be Tax-exempt. In furtherance of the foregoing provisions, but without limiting their generality, the City agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by counsel approving the Bonds; (c) to consult with such counsel and to comply with such advice as may be given; (d) to pay to the United States, if subsequently determined to be necessary, such sums of money representing required rebates

of excess arbitrage profits relating to the Bonds; (e) to file such forms, statements and supporting documents as may be required and in a timely manner; and (f) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the City in such compliance.

Section 19. Bonds Not Private Activity Bonds. The Bonds are not "private activity bonds" under Section 141 of the Code. In support of such conclusion, the City hereby covenants, warrants and represents that:

(a) No more than five percent of the proceeds of the Bonds will be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit.

(b) The payment of more than five percent of the principal of or interest on the Bonds will not be directly or indirectly (i) secured by an interest in (A) property used or to be used in any activity carried on by any person other than a state or local governmental unit, or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not by or to the City) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit; and

(c) Not more than five percent of the proceeds derived from the sale of the Bonds and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons.

(d) No users of the 1998 TIF Project other than state or local governmental units will use more than five percent of the 1998 TIF Project, in the aggregate, on any basis other than the same basis as the general public; and no person other than a state or local governmental unit will be users of more than five percent of the 1998 TIF Project, in the aggregate, as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract, or (iii) any other similar arrangement, agreement, or understanding, whether written or oral.

Section 20. Registered Form. The City recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order to be and remain Tax-exempt. In this connection, the City agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 21. Designation as Qualified Tax-exempt Obligations. The City recognizes the provisions of Section 265(b)(3) of the Code which provides that a "qualified tax-exempt obligation" as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The City hereby designates each of the Bonds as may be from time to time outstanding for purposes of section 265(b)(3) of the Code as a "qualified tax-exempt obligation" as provided therein.

In support of such designation, the City certifies, represents and covenants as follows:

A. The Bonds are not "private activity bonds" as defined in Section 141(a) of the Code.

B. Including the Bonds, the City (including any entities subordinate thereto) has not and does not reasonably expect to issue in excess of \$10,000,000 in "qualified tax-exempt obligations" (other than "*private activity bonds*") (as such terms are defined in the Code) during the calendar year 1998.

C. Including the Bonds, not more than \$10,000,000 of obligations issued by the City (including any entities subordinate thereto) during the calendar year 1998 have been to date or will be designated by the City for purposes of said Section 265(b)(3).

Section 22. Reimbursement. None of the proceeds of the Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the City prior to the date hereof except architectural or engineering costs incurred prior to commencement of any of the 1998 TIF 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 1998 TIF Project paid after the date hereof and prior to issuance of the Bonds.

Section 23. Opinion of Counsel Exception. The City reserves the right to use or invest moneys in connection with the Bonds in any manner, notwithstanding the representations and covenants in Sections 17 through 22 herein, provided it shall first have received an opinion from an attorney or a firm of attorneys of nationally recognized standing in matters pertaining to Tax-exempt bonds to the effect that use or investment of such moneys as contemplated will not result in loss or impairment of Tax-exempt status for the Bonds.

Section 24. This Ordinance a Contract. The provisions of this Ordinance shall constitute a contract between the City and the registered owners of the Bonds, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided.

Section 25. Supplemental Ordinances. With the consent of the registered owners of not less than 66% in aggregate principal amount of the Bonds at the time outstanding, the City, by the Corporate Authorities may pass an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided that no such modification or amendment shall extend the maturity or reduce the interest rate on or otherwise alter or impair the obligation of the City to pay the principal, interest or redemption premium, if any, at the time and place and at the rate and in the currency provided therein of any Bond without the express consent of the registered owner of such Bond, or permit the creation of a preference or priority of any Bond or Bonds over any other Bond or Bonds, or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification, or deprive the registered owners of the Bonds (except as aforesaid) of the right to payment of the Bonds from the taxes pledged

thereto without the consent of the registered owners of all the Bonds (as the case may be) then outstanding.

Section 26. Rights and Duties of Bond Registrar. If requested by the Bond Registrar, any Designated Officer is authorized to execute the Bond Registrar's standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder. In addition to the terms of such agreement or agreements and subject to modification thereby, the Bond Registrar by acceptance of duties hereunder agrees:

- (a) to act as bond registrar, paying agent, authenticating agent, and transfer agent as respectively 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 upon redemption 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 Clerk of the City is hereby directed to file a certified copy of this Ordinance with the Bond Registrar.

Section 27. Defeasance. Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with a bank or trust company authorized to keep trust accounts to pay all principal and interest due thereon, or (c) for

which sufficient U.S. funds and direct U.S. Treasury obligations have been deposited pursuant to an irrevocable escrow or trust agreement with a bank or trust company authorized to keep trust accounts to pay, taking into account investment earnings on such obligations, all principal of and interest on Bonds when due at maturity or as called for redemption shall cease to have any lien on or right to receive or be paid from the Pledged Taxes, the Special Tax Allocation Fund, or the 1998 Full Faith and Credit Taxes Account hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein, as such relates to lien and security of the outstanding Bonds. All covenants relative to the Tax-exempt status of the Bonds and relative to payment, registration, transfer, and exchange of Bonds are expressly continued for all Bonds whether deemed outstanding Bonds or not.

Section 28. Continuing Disclosure. The Designated Officers are hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*") in substantially the same form as now before the City and attached hereto as *Exhibit A*, or with such changes therein as the individual executing the Continuing Disclosure Undertaking on behalf of the City shall approve, his execution thereof to constitute conclusive evidence of his approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure

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

Section 29. 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 30. 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 and approval.

Councilwoman Davenport, Councilman Eckhoff, Councilman Gresk, Mayor Carr,
AYES: Councilman Johnson, Councilwoman Johnson, Councilman Mork.

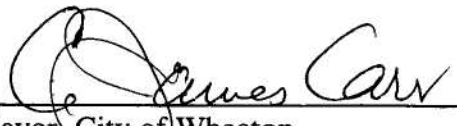
NAYS: None.

ABSENT: None.

MOTION CARRIED UNANIMOUSLY

ADOPTED: June 1, 1998

APPROVED: June 1, 1998

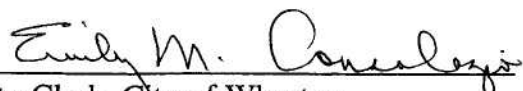


Mayor, City of Wheaton
DuPage County, Illinois

RECORDED In City Records: June 1, 1998.

PUBLISHED in pamphlet form by authority of the City Council on June 2, 1998.

Attest:



City Clerk, City of Wheaton
DuPage County, Illinois

F-02488 63

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

**CERTIFICATION OF MINUTES AND ORDINANCE
AND CERTIFICATION 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 Wheaton, DuPage 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 1st day of June, 1998, insofar as the same relates to the adoption of an ordinance entitled:

AN ORDINANCE providing for the issuance of General Obligation Bonds, Series 1998, of the City of Wheaton, DuPage County, Illinois, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

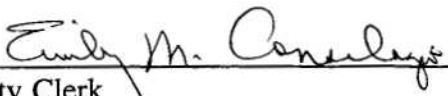
a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; that an agenda for said meeting was posted at the principal office of the Corporate Authorities and at the location where the meeting was held not less than 48 hours in advance of holding said meeting; and that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, except as said Act or said Code may be validly superceded by the City's home rule powers, 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 said ordinance.

I do further certify that the Ordinance was published by authority of the Corporate Authorities in pamphlet form on the 1st day of June, 1998, and the 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.

F-02118 62

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City
this 1st day of June, 1998.



City Clerk

[SEAL]

FILED

JUN 09 1998



Du Page County Clerk