
CITY OF WARRENVILLE, ILLINOIS

ORDINANCE NO. 1297

ORDINANCE APPROVING A REDEVELOPMENT AND
FINANCING AGREEMENT AND AUTHORIZING THE
ISSUANCE OF TAX INCREMENT REVENUE BONDS AND
TAX INCREMENT REVENUE DEVELOPER NOTES OF
THE CITY OF WARRENVILLE, ILLINOIS

ADOPTED: FEBRUARY 22, 1994

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ORDINANCE APPROVING A REDEVELOPMENT AND FINANCING AGREEMENT AND AUTHORIZING THE ISSUANCE OF TAX INCREMENT REVENUE BONDS AND TAX INCREMENT REVENUE DEVELOPER NOTES OF THE CITY OF WARRENVILLE, ILLINOIS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WARRENVILLE, ILLINOIS, AS FOLLOWS:

ARTICLE I

General Matters

Section 101. Short Title. This Ordinance may hereafter be cited, and is hereinafter sometimes referred to, as the "1994 Tax Increment Authorizing Ordinance."

Section 102. Authority for Tax Increment Ordinance. The Ordinance is adopted pursuant to the provisions of the Tax Increment Allocation Redevelopment Act, 65 Illinois Compiled Statutes 5/11-74.4, and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350. The City has ascertained and hereby determines that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary in order to carry out the Redevelopment Plan and to secure or further secure the payment of the principal of and interest on the Debt Obligations.

Section 103. Ordinance to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Debt Obligations by those who shall hold the same from time to time, the provisions of the Ordinance shall be a part of the contract of the City with the Holders of the Debt Obligations, and shall be deemed to be and shall constitute contracts among the City and the Holders from time to time of the Debt Obligations. The pledge made in the Ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the Holders of any and all of the Debt Obligations. All of the Debt Obligations, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Debt Obligations over any other thereof except as expressly provided in or pursuant to the Ordinance.

Section 104. Limited Obligation of Debt Obligations and Pledges Securing the Same. The Debt Obligations shall be limited obligations of the City payable solely from the Remaining TIF Revenue Stream and the funds in and to be deposited in the Public Redevelopment Projects Account of the Tax Allocation Fund, subject to the withdrawal and application of such funds in the Tax Allocation Fund in accordance with the provisions of the Redevelopment Act, the First Lien Ordinance and the Ordinance. The Debt Obligations shall not be deemed to constitute general obligations of the City. Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the principal of or interest on the Debt Obligations.

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All Debt Obligations shall be entitled to the benefits of the continuing pledge and lien created by the Ordinance to secure the full and final payment of the principal or Redemption Price of and interest on all of said Debt Obligations.

Section 105. Approval of Redevelopment Agreement. The agreement by and between the City and Warrenville Development Limited Partnership dated as of February 1, 1994, on file in the office of the City Clerk and entitled: "Redevelopment and Financing Agreement," is hereby approved. It is found and determined that (i) the Redevelopment and Financing Agreement is in furtherance of the objectives of the Redevelopment Plan, (ii) the City has made a public disclosure of the terms of the Redevelopment and Financing Agreement, and (iii) the City has provided a reasonable opportunity for other persons to submit alternative proposals or bids regarding the development of property within the Redevelopment Project Area.

The Mayor is authorized and directed to execute and deliver the Redevelopment and Financing Agreement on behalf of the City and the City Clerk is authorized and directed to affix the seal thereto and to attest the Redevelopment and Financing Agreement.

Section 106. Definitions and Interpretations. In the Ordinance, unless a different meaning clearly appears from the context:

Articles and Sections mentioned by number only are the respective Articles and Sections of the Ordinance so numbered;

"Bond" means any of the bonds of the City issued in lieu of the issuance of Developer Notes, or for refunding Developer Notes, pursuant to Section 205 of the Ordinance and Section 16(A) of the Redevelopment Agreement;

"Bond Year" means the annual period ending on July 1;

"Certified Rate" means, with respect to any Developer Note, that rate of interest established by the City, in consultation with the Developer, at which a qualified purchaser (other than the Developer) is willing to purchase such Developer Note, in accordance with the terms and provisions provided in the Ordinance and the Redevelopment Agreement;

"City" means the City of Warrenville, a municipal corporation of the State;

"City Council" means the governing body of the City;

"City Officer" means the Mayor, City Administrator or the City Treasurer, and, when used with reference to an act or document, also means any other person authorized by resolution or ordinance of the City to perform such act or sign such document;

"Counsel's Opinion" means an opinion signed by any attorney or firm of attorneys selected by the City (who may be counsel of or counsel to the City or an attorney or firm of attorneys retained by it for other purposes);

"Debt Obligation" means any Bond or Developer Note;

"Developer" means Warrenville Development Limited Partnership as the developer under the Redevelopment Agreement;

"Developer Note" means any of the notes of the City issued pursuant to Section 201 of the Ordinance and Section 15 of the Redevelopment Agreement;

"Eligible Developer Expenditures" means those costs incurred by the Developer in connection with the redevelopment of the Redevelopment Project Area, which are included in the Public Redevelopment Project;

"Federal Obligation" means a direct and general obligation of the United States of America;

"First Lien Ordinance" means Ordinance No. 1167 adopted by the City Council on July 15, 1991 and entitled: "Ordinance Authorizing the Issuance of Tax Increment Revenue Bonds, Series 1991A, of the City of Warrenville, Illinois;

"General Account" means the General Account of the Tax Allocation Fund established by Section 502 of the First Lien Ordinance;

The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, refer to the Ordinance; the term "heretofore" means before the date of adoption of the Ordinance; and the term "hereafter" means after the date of adoption of the Ordinance;

The term "Holder" or "holder" or any similar term, when used with reference to a Debt Obligation, means any person who shall be the registered owner of any Outstanding Debt Obligation;

"Investment Obligation" means any investment that at the time is a legal investment for units of local government under the laws of the State for the monies held hereunder then proposed to be invested;

"Municipal Sales Tax Increment" shall have the meaning ascribed to such term in the Redevelopment Act;

"Municipal Sales Tax Receipts" means the Municipal Sales Tax Increment collected by the State and paid to the City for deposit to the Tax Allocation Fund pursuant to Section 11-74.4-8(a) of the Redevelopment Act, as such provision may be amended from time to time;

"Officer's Certificate" means a certificate signed by a City Officer;

"Ordinance" means this 1994 Tax Increment Authorizing Ordinance as the same may from time to time be amended, modified or supplemented by one or more Supplemental Ordinances;

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"Outstanding," when used with reference to Debt Obligations and as of any particular date, describes all Debt Obligations theretofore and thereupon being issued except (a) any Debt Obligations cancelled by the City, at or before said date, and (b) any Debt Obligation for the payment or redemption of which either (i) moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (ii) Federal Obligations or moneys, in the amounts, of the maturities and otherwise as described and required under the provisions of Paragraph (B) of Section 801, shall have theretofore been deposited in trust in accordance with the Local Government Defeasance of Debt Law, 50 Illinois Compiled Statutes 415, and, except in the case of a Debt Obligation to be paid at maturity, of which notice of redemption shall have been given or provided for in accordance with the Ordinance;

"Public Redevelopment Project" means the infrastructure improvements described in Exhibit D and Exhibit D-1 to the Redevelopment Agreement including, but not limited to, roads, road improvements, site preparation and landscape improvements, water, stormwater and sewer improvements and tollway interchange improvements; including also, to the extent related to the Public Redevelopment Project, the cost of studies and surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan including, but not limited to, costs of issuance of Debt Obligations, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, and other special services;

"Public Redevelopment Projects Account" means the account so designated, which is established and created by Section 302;

"Redemption Price," when used with respect to a Debt Obligation means the principal amount of such Debt Obligation plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms pursuant to the Ordinance;

"Redevelopment Act" means the Tax Increment Allocation Redevelopment Act, constituting Division 74.4 of Article 11 of the Illinois Municipal Code, 65 Illinois Compiled Statutes 5/11-74.4;

"Redevelopment Agreement" means the "Redevelopment and Financing Agreement" dated as of February 1, 1994, by and between the City and the Developer;

"Redevelopment Plan" means the "City of Warrenville Tax Increment Redevelopment Plan and Project Amended" approved by the City pursuant to an ordinance adopted by the City Council on June 3, 1991, and entitled: "Ordinance Adopting and Approving a Tax Increment Redevelopment Plan and a Tax Increment Redevelopment Project for the City of Warrenville, Illinois" (which incorporated and replaced the original redevelopment plan approved by the City pursuant to an ordinance adopted December 15, 1986, and entitled: "Ordinance Approving the City of Warrenville 1986 Tax Increment Redevelopment Plan and Project") as the same may be amended from time to time in accordance with the Redevelopment Act and Section 406;

"Redevelopment Project" means the public and private development projects described in the Redevelopment Plan or undertaken in furtherance of the objectives of the Redevelopment Plan;

"Redevelopment Project Area" means the area of the City designated pursuant to an ordinance adopted by the City Council on June 3, 1991, and entitled: "Ordinance Designating a Redevelopment Project Area in the City of Warrenville, Illinois" as the boundaries thereof may be changed from time to time in accordance with the Redevelopment Act and Section 406;

"Redevelopment Project Costs" shall have the meaning ascribed to such term in the Redevelopment Act;

"Remaining TIF Revenue Stream" means, with respect to any year, the amount remaining after deducting from the total TIF Revenue Stream received by the City in such year, the sum of (i) amount required to be deposited into the Series 1991A Bond Service Account during the Bond Year commencing during such year; (ii) the amount required to be deposited into the Series 1991A Bond Reserve Account to cure any deficiency therein; (iii) the amount to be withdrawn from the General Account during the Bond Year commencing during such year pursuant to Section 506(B) of the First Lien Ordinance to pay the fees and expenses of the trustee under the First Lien Ordinance and (iv) the amount to be deposited into the TIF Municipal Account pursuant to clause FIRST of Paragraph (B) of Section 303;

"Series," when used with respect to less than all of the Debt Obligations, means and refers to all of the Bonds and Developer Notes delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions; and any Bond or Developer Note thereafter delivered in substitution for any of such Bonds or Developer Notes;

"Series 1991A Bond" means any of the \$500,000 Tax Increment Bonds, Series 1991A, of the City authorized and issued under and pursuant to the First Lien Ordinance;

"Series 1991A Bond Reserve Account" means the Series 1991A Bond Reserve Account of the Tax Allocation Fund established by Section 502 of the First Lien Ordinance;

"Series 1991A Bond Service Account" means the Series 1991A Bond Service Account of the Tax Allocation Fund established by Section 502 of the First Lien Ordinance;

"State" means the State of Illinois;

"State Sales Tax Boundary" means the portion of the Redevelopment Project Area designated pursuant to ordinances of the City adopted by the City Council on December 15, 1986 and entitled: "Ordinance Designating Tax Increment Redevelopment Project Area" and "Ordinance Respecting State Sales Tax Increment," and certified by the State Department of Revenue as an appropriate boundary eligible for the determination of State Sales Tax Increment in accordance with Section 11-74.4-8(a)(9) of the Redevelopment Act;

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"State Sales Tax Increment" shall have the meaning ascribed to such term in the Redevelopment Act;

"State Sales Tax Receipts" means the State Sales Tax Increment collected by the State and paid to the City for deposit to the Tax Allocation Fund pursuant to Section 11-74.4-8(a) of the Redevelopment Act, as such provision may be amended from time to time;

"Supplemental Ordinance" means any ordinance of the City amending or supplementing the Ordinance adopted and becoming effective in accordance with the terms of Article V;

"Taxable Developer Note" means any Developer Note the interest on which is includable in the gross income of the holder thereof for federal income tax purposes;

"Tax Allocation Fund" means the Special Tax Allocation Fund of the City established pursuant to an ordinance adopted by the City Council on December 15, 1986, and entitled: "Ordinance Adopting Tax Increment Allocation Financing" and continued with respect to the Redevelopment Project Area pursuant to an ordinance adopted by the City Council on June 3, 1991, and entitled: "Ordinance Adopting Tax Increment Allocation Financing in the City of Warrenville, Illinois";

"Tax-Exempt Developer Note" means any Developer Note the interest on which, in the opinion of nationally recognized bond counsel selected by the City and acceptable to the Developer, is not includable in the gross income of the holder thereof for federal income tax purposes as described in the form of opinion included as Exhibit J to the Redevelopment Agreement;

"Tax Receipts" means the portion of the real property taxes collected with respect to taxable real property in the Redevelopment Project Area that is required to be paid to the City Treasurer for deposit to the Tax Allocation Fund pursuant to Section 11-74.4-8 of the Redevelopment Act, as such provision may be amended from time to time;

"TIF Municipal Account" means the Account so designated, which is established by Section 302;

"TIF Municipal Account Bonds" means bonds described in Section 16(B) of the Redevelopment Agreement, which are payable from and secured by moneys on deposit in the TIF Municipal Account;

"TIF Revenue Stream" means the Tax Receipts, the State Sales Tax Receipts, the Municipal Sales Tax Receipts, the proceeds of any other tax or other source of legally available revenue, which the City designates as "TIF Revenue Stream," including any revenues generated pursuant to Section 23 of the Redevelopment Agreement, and interest or other investment income earned on moneys on deposit in the Tax Allocation Fund;

Words importing the masculine gender include every other gender;

Words importing the maturity or payment of a Debt Obligation do not include or connote the becoming due of such Debt Obligation upon redemption thereof prior to maturity pursuant to the Ordinance or the payment of the Redemption Price thereof;

Words importing the payment of any Debt Obligation include the payment of a portion of such Debt Obligation;

Words importing persons include firms, associations and corporations;

Words importing the redemption or redeeming or calling for redemption of a Debt Obligation do not include or connote the payment of such Debt Obligation at its stated maturity or the purchase of such Debt Obligation; and

Words importing the singular number include the plural number, and vice versa.

Section 107. Parties Interested Herein. Nothing in the Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the City and the Holders of the Debt Obligations, any right, remedy or claim under or by reason of the Ordinance or any covenant, stipulation, obligation, agreement or condition therein. All the covenants, stipulations, obligations, promises and agreements in the Ordinance contained by and on behalf of the City, shall be for the sole and exclusive benefit of the City and the Holders of the Debt Obligations.

Section 108. Severability of Invalid Provision. If any one or more of the provisions, covenants or agreements in the Ordinance on the part of the City to be performed should be contrary to law, then such provision or provisions, covenant or covenants, agreement or agreements, shall in no way affect the validity of the other provisions of the Ordinance or of the Debt Obligations.

ARTICLE II

Debt Obligations

Section 201. Authorization and Purpose of Developer Notes. Subject to and pursuant to the provisions of the Redevelopment Act, the Local Government Debt Reform Act and the Ordinance, revenue notes of the City, each constituting a Developer Note as mentioned and described in the Ordinance, are hereby authorized to be issued in the maximum aggregate principal amount of \$39,166,841, for the purpose of raising funds to pay or reimburse Redevelopment Project Costs that are Eligible Developer Expenditures with respect to the Public Redevelopment Project, including capitalized interest and reserves, costs of issuance of Developer Notes, and administrative costs of the City.

Section 202. Terms of Developer Notes. Each Series of Developer Notes shall be designated "Tax Increment Revenue Developer Notes" and shall include an additional designation as to Series. Developer Notes may be issued in any denomination. Each Series of Developer Notes delivered upon original issuance shall be dated as of the date of original

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issuance thereof and each Developer Note of a Series thereafter issued upon any transfer, exchange or replacement of Developer Notes shall be dated so that no gain or loss of interest shall result from such transfer, exchange or replacement.

Each Developer Note shall mature on December 1, 2009, and shall bear interest from its date, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on an initial interest payment date determined in the Officer's Certificate executed pursuant to Section 203 and quarter-annually thereafter on March 1, June 1, September 1 and December 1 of each year.

Each Tax-Exempt Developer Note shall bear interest at the lesser of the rate of nine percentum (9%) per annum and the Certified Rate. Each Taxable Developer Note, up to a maximum aggregate principal amount of \$5,873,383 (or 15% of Eligible Developer Expenditures, calculated in accordance with Section 5(D) of the Redevelopment Agreement) shall bear interest at the lesser of the rate of ten percentum (10%) per annum and the Certified Rate. Each Taxable Developer Note issued in excess of the foregoing limitation shall bear interest at the lesser of the rate of nine percentum (9%) per annum and the Certified Rate.

The City Treasurer is hereby appointed as registrar for the Developer Notes. Each Developer Note shall be payable as to principal and Redemption Price, when due, in lawful money of the United States of America upon presentation and surrender thereof at the office of the City Treasurer, provided however that the Redemption Price of a Developer Note redeemed in part pursuant to the provisions of Section 203(B) shall be paid by wire transfer pursuant to an agreement between the City and the registered owner, or otherwise by check or draft mailed to the registered owner of record thereof, at the address of such registered owner appearing on the registration books maintained for such purpose by the City Treasurer. After each such partial redemption of a Developer Note, the City Treasurer shall note on the registration books the principal balance remaining of such Developer Note and, upon the request of the registered owner of such Developer Note, shall provide a written confirmation of such principal balance to the registered owner. Interest on the Developer Notes shall be payable on each interest payment date in lawful money of the United States of America by wire transfer pursuant to an agreement between the City and the registered owner, or otherwise by check or draft mailed to the registered owner of record thereof, at the address of such registered owner appearing on such registration books.

Section 203. Redemption of Developer Notes. (A) Each Developer Note shall be subject to redemption at the option of the City, as a whole, or in part, at any time, at a Redemption Price equal to the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption.

(B) The Developer Notes shall be subject to mandatory redemption, without premium, in whole at any time, or in part on any interest payment date, to the extent there are amounts in excess of \$50,000 on deposit in the Public Redevelopment Projects Account, which are not needed to pay principal or interest to become due on Outstanding Developer Notes or Bonds on or prior to the first day of June next ensuing. In the event of any partial mandatory redemption of less than all the Developer Notes then Outstanding, the Developer Notes bearing interest at highest rate of interest shall be those first to be redeemed. If less than all of the

Developer Notes bearing interest at the same rate are to be redeemed, then the particular Developer Notes to be redeemed shall be selected in the order issued.

(C) Notice of the redemption of Developer Notes shall be mailed not less than 10 days prior to the date fixed for such redemption to the registered owners of Developer Notes to be redeemed at their last addresses appearing on said registration books. If, on the redemption date, moneys for payment of the Redemption Price of all the Developer Notes or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such Developer Notes or portions thereof shall cease to accrue and become payable.

Section 204. Issuance of Developer Notes. A Series of Developer Notes shall be issued by the City to or upon the order of the Developer upon the receipt by the City of a "Request for Issuance of a Developer Note" pursuant to Section 15-2 of the Redevelopment Agreement. Prior to the issuance of a Series of Developer Notes, the Mayor or the City Administrator shall execute an Officer's Certificate approving the particular Request for Issuance of a Developer Note and determining all details of the Series not otherwise determined by the Ordinance. Subject to the limitations contained in this Article, authority is delegated to the Mayor and the City Administrator to make such determinations and to deliver the Developer Notes. An executed copy of each such Officer's Certificate shall be filed in the office of the City Clerk and included in the records of the City as part of the proceedings for the issuance of the Developer Notes.

Section 205. Authorization and Purpose of Bonds. Subject to and pursuant to the provisions of the Redevelopment Act, the Local Government Debt Reform Act and the Ordinance, revenue bonds of the City, each constituting a Bond as mentioned and described in the Ordinance, are hereby authorized to be issued in the maximum aggregate principal amount of \$39,166,841, in lieu of the issuance of Developer Notes and for the same purposes for which Developer Notes are authorized to be issued pursuant to Section 201, and also for the payment or retirement of Outstanding Developer Notes.

Bonds shall be sold to persons other than the Developer. The net proceeds of sale of Bonds shall be applied to the payment or retirement of any Outstanding Developer Notes or to the payment or reimbursement to the Developer of Eligible Developer Expenditures. Bonds are to be issued with substantially the same terms and conditions as Developer Notes and must bear interest at a rate per annum that is less than the rate of interest that would be applicable to Developer Notes of like tenor and tax status.

No Bonds shall be issued in lieu of the issuance of Developer Notes if the issuance thereof, and the provisions for payment of debt service thereon, will materially adversely affect the timing or amount of any payment of principal of or interest on any Developer Note issued or to be issued pursuant to the terms of the Ordinance and the Redevelopment Agreement.

Provisions for the issuance of each Series of Bonds pursuant to this Section, including the terms of such Series, shall be made by the City pursuant to a Supplemental Ordinance adopted prior to the issuance of such Series of Bonds.

Section 206. Debt Issuance Limitation. The total aggregate principal amount of Debt Obligations that may be issued under the Ordinance is limited to \$39,166,841, plus the principal amount of Developer Notes refunded by the issuance of Bonds.

Section 207. Execution. The Debt Obligations shall be executed in the name of the City by the manual or facsimile signature of its Mayor, and its corporate seal or a facsimile thereof shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of its City Clerk. In case any one or more of the officers who shall have signed or sealed any of the Debt Obligations shall cease to be such officer before such Debt Obligations shall have been delivered, such Debt Obligations may, nevertheless, be delivered as if the persons who signed or sealed such Debt Obligations had not ceased to hold office. Any Debt Obligations may be signed and sealed on behalf of the City by such persons as at the time of the execution of such Debt Obligations shall be duly authorized or hold the proper office in the City, although at the date of such Debt Obligations such persons may not have been so authorized or have held such office.

Section 208. Transfer, Exchange and Registry. The transfer of each Debt Obligation shall be registrable only upon the registration books maintained by the City for that purpose at the office of the City Treasurer, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the City Treasurer and duly executed by the registered owner or his duly authorized attorney. Upon the surrender for registration of transfer of any Debt Obligation, the City shall execute and deliver a new Debt Obligation or Debt Obligations registered in the name of the transferee of the same aggregate principal amount, series, maturity and interest rate as the surrendered Debt Obligation.

Debt Obligations, upon surrender thereof at the office of the City Treasurer, with a written instrument satisfactory to the City Treasurer and duly executed by the registered owner or his duly authorized attorney, may be exchanged for an equal aggregate principal amount of Debt Obligations of the same aggregate principal amount, series, maturity and interest rate as the surrendered Debt Obligation and of any authorized denominations. The provisions of the Illinois Bond Replacement Act, 30 Illinois Compiled Statutes 315, shall govern the replacement of lost, destroyed or defaced Debt Obligations.

The City may deem and treat the person in whose name any Debt Obligation shall be registered upon the registration books as the absolute owner of such Debt Obligation, whether such Debt Obligation shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Debt Obligation to the extent of the sum or sums so paid and the City shall not be affected by any notice to the contrary.

Section 209. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Debt Obligations or registering the transfer of Debt Obligations is exercised, the City shall execute and deliver Debt Obligations in accordance with the provisions of the Ordinance. All Debt Obligations surrendered for exchange or registration of transfer shall forthwith be cancelled by the City. For every such exchange or registration of transfer of Debt Obligations, the City may, as a condition precedent to the privilege of making such exchange or registration of transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or registration of transfer.

ARTICLE III

Tax Increment Revenues

Section 301. Pledge Securing Debt Obligations. Subject to the prior first lien pledge of the Tax Receipts, the Municipal Sales Tax Receipts and the State Sales Tax Receipts to secure the payment of the Series 1991A Bonds heretofore made by the City pursuant to Section 501 of the First Lien Ordinance, a pledge of all moneys, securities and funds withdrawn or to be withdrawn from the General Account and held or set aside or to be held or set aside pursuant to the Ordinance is hereby made, and the pledge hereby made shall be valid and binding from and after the time of delivery of the first Debt Obligations delivered under the Ordinance. Such moneys, securities and funds so pledged and then or thereafter released from the General Account shall immediately be subject to the lien of such pledge without any physical delivery or further act.

The pledge made pursuant to this Section shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City. The pledge made pursuant to this Section is limited by and subject to the provisions of the Redevelopment Act restricting the use of State Sales Tax Receipts to the payment of Redevelopment Project Costs within the State Sales Tax Boundary and the requirement of Section 11-74.4-7 of the Redevelopment Act that the City must provide for the annual distribution to taxing districts and the Illinois Department of Revenue of moneys not required for the payment and securing of obligations (including the Debt Obligations) or Redevelopment Project Costs.

Section 302. Establishment of Accounts. The City hereby establishes and creates the TIF Municipal Account and the Public Redevelopment Projects Account within the Tax Allocation Fund, which shall be special accounts held by the City.

Section 303. Deposit and Allocation of TIF Revenue Stream. (A) Pursuant to the provisions of Section 506(D) and Section 605 of the First Lien Ordinance, the City shall withdraw all moneys in the General Account for deposit into the TIF Municipal Account and the Public Redevelopment Projects Account as provided in this Section. Such withdrawals may be made periodically during the Bond Year but in no event less than once every 90 days, provided that on the date of such withdrawal (i) provision shall have been made for the payment of all fees and expenses for such Bond Year of the trustee under the First Lien Ordinance; (ii) no deficiency exists in the Series 1991A Bond Reserve Account and (iii) the amount theretofore

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deposited into the Series 1991A Bond Service Account during the then current Bond Year is not less than \$125,000.

(B) The moneys withdrawn from the General Account in each year pursuant to Paragraph (A) of this Section and, when no Series 1991A Bonds remain outstanding, all of the TIF Revenue Stream, shall be allocated in each year, in the following amounts and in the following order of priority:

FIRST: The sum of \$500,000 shall be deposited into the TIF Municipal Account; provided that if less than \$500,000 is available in any year, any such shortfall shall not be credited for a subsequent year or accumulated for payment in a subsequent year.

SECOND: The Remaining TIF Revenue Stream shall be credited, allocated and deposited, on a pro rata basis, to the Public Redevelopment Projects Account and the TIF Municipal Account as provided in Paragraphs (C) and (D) of this Section.

(C) The annual allocations to the Public Redevelopment Projects Account shall be as follows: (1) for the years 1994 to 1997, both inclusive, 67.5% of the Remaining TIF Revenue Stream; (2) for the years 1998 to 2001, both inclusive, the amount received in 1997, plus 65% of the excess, if any, of the Remaining TIF Revenue Stream for such year over the Remaining TIF Revenue Stream in 1997; (3) for the years 2002 to 2005, both inclusive, the amount received in 2001, plus 55% of the excess, if any, of the Remaining TIF Revenue Stream for such year over the Remaining TIF Revenue Stream in 2001; and (4) for the year 2006 and each year thereafter, the amount received in 2005, plus 50% of the excess, if any, of the Remaining TIF Revenue Stream for such year over the Remaining TIF Revenue Stream in 2005.

(D) The annual allocations to the TIF Municipal Account shall be as follows: (1) for the years 1994 to 1997, both inclusive, 32.5% of the Remaining TIF Revenue Stream; (2) for the years 1998 to 2001, both inclusive, the amount received in 1997, plus 35% of the excess, if any, of the Remaining TIF Revenue Stream for such year over the Remaining TIF Revenue Stream in 1997; (3) for the years 2002 to 2005, both inclusive, the amount received in 2001, plus 45% of the excess, if any, of the Remaining TIF Revenue Stream for such year over the Remaining TIF Revenue Stream in 2001; and (4) for the year 2006 and each year thereafter, the amount received in 2005, plus 50% of the excess, if any, of the Remaining TIF Revenue Stream for such year over the Remaining TIF Revenue Stream in 2005.

(E) The obligation of the City to transfer Remaining TIF Revenue Stream to the Public Redevelopment Projects Account is subject to the provisions of Section 8 of the Redevelopment Agreement relating to project inactivity penalties.

(F) To the extent that any principal of or interest on any Debt Obligation is unpaid on December 1, 2009 and the City is authorized pursuant to the Redevelopment Act to deposit into the Tax Allocation Fund after December 1, 2009, TIF Revenue Stream generated by taxes levied before December 1, 2009, the City shall transfer Remaining TIF Revenue Stream to the Public Redevelopment Projects Account in accordance with the allocation formula set forth in this Section, to pay such unpaid principal of and interest on Debt Obligations.

Section 304. Public Redevelopment Projects Account. (A) The City shall withdraw from the Public Redevelopment Projects Account, prior to each interest payment date of Debt Obligations, an amount equal to the unpaid interest due on the Debt Obligations on or before such interest payment date, and shall cause the same to be applied to the payment of said interest when due.

(B) The City shall withdraw from the Public Redevelopment Projects Account, prior to the maturity date of Debt Obligations, an amount equal to the principal amount of the Outstanding Debt Obligations, if any, maturing on or before such maturity date and shall cause the same to be applied to the payment of the principal of said Debt Obligations when due.

(C) On the 20th day prior to each interest payment date for Developer Notes, the City shall determine the maximum principal amount of Developer Notes that may be redeemed by application of the moneys then held in the Public Redevelopment Projects Account in accordance with Section 203(B) and shall call for redemption, on such interest payment date, such principal amount of Developer Notes.

(D) All withdrawals from the Public Redevelopment Projects Account under the provisions of Paragraph (A), Paragraph (B) or Paragraph (C) of this Section shall be made not earlier than two days prior to the date to which they relate, and the amounts so withdrawn shall, for all purposes of the Ordinance, be deemed to remain in and be part of the Public Redevelopment Projects Account until applied to the payment of principal or Redemption Price of, or interest on, the Debt Obligations.

(E) In the event that, on any interest payment date, there are insufficient moneys in the Public Redevelopment Projects Account to pay interest on any Developer Notes, as such interest becomes due, available moneys shall be applied to the payment of such interest in the order in which the Developer Notes were issued and interest on such unpaid interest shall accrue at the rate applicable to such Developer Note and shall be payable as provided in Section 202.

(F) After all of the payments required by Paragraphs (A), (B), (C) and (E) of this Section have been made, amounts remaining in the Public Redevelopment Projects Account shall be applied to pay the costs of Eligible Developer Expenditures for which Debt Obligations have not been issued.

Section 305. TIF Municipal Account. Amounts on deposit in the TIF Municipal Account shall be applied to pay Redevelopment Project Costs of the Redevelopment Project and to pay, or secure the payment of, the principal of or interest on TIF Municipal Account Bonds. Any TIF Municipal Account Bonds shall be entitled to a pledge of the moneys withdrawn from the General Account and the TIF Revenue Stream on a parity with any Outstanding Debt Obligations, subject to the provisions of Section 303 regarding the allocation of the TIF Revenue Stream, and shall be payable from the moneys on deposit in the TIF Municipal Account.

Section 306. Investment Regulations. Moneys in the TIF Municipal Account or the Public Redevelopment Projects Account, shall be invested by the City Treasurer in Investment Obligations or be deposited in time or other accounts, maturing in the amounts and

at the times necessary to provide funds to make the payments to which such moneys are applicable as determined by the City. Any obligations so purchased with moneys in any Account shall be deemed at all times to be a part of said Account and the interest thereon and any profit arising on the sale thereof shall be credited to said Account, and any loss resulting on the sale thereof shall be charged to said Account. Obligations so purchased as an investment of moneys in any such Account shall be sold at the best price obtainable whenever it shall be necessary so to do in order to provide moneys to make any transfer, withdrawal, payment or disbursement from said Account, or in the case of any required transfer of moneys, may be transferred to that Account in lieu of the required moneys. In computing for any purpose hereunder the amount in any Account on any date, obligations so purchased, if due within one year after such date, shall be valued at the face value exclusive of accrued interest, or, if not due within one year after such date, shall be valued at market value (exclusive of accrued interest) and may be so valued as of any time within 30 days prior to such date.

All moneys (not including securities) held by the City in any Account may be deposited by it, on demand or time deposit, or with such banks or trust companies which are lawful depositaries as may be designated by the City. No such moneys shall be deposited with any bank or trust company, in an amount exceeding fifty percent (50%) of the amount which an officer of such bank or trust company shall certify to the City Treasurer as the combined capital and surplus of such bank or trust company. No such moneys shall be deposited or remain on deposit with any bank or trust company in excess of the amount guaranteed or insured by the Federal Deposit Insurance Corporation or other Federal agency, unless such bank or trust company shall have lodged as collateral for such deposit, Federal Obligations having a market value (exclusive of accrued interest) at least equal to the amount of such moneys.

ARTICLE IV

Particular Covenants

Section 401. General. The City hereby covenants and agrees with the Holders of the Debt Obligations and makes provisions which shall be a part of its contract with such Holders, to the effect and with the purpose set forth in the following provisions and Sections of this Article. The provisions of this Article shall be effective from and after the time of the delivery by the City of the first Developer Note delivered under the Ordinance. The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of law or the Ordinance in accordance with the terms of such provisions.

Section 402. Payment of Debt Obligations. The City shall duly and punctually pay or cause to be paid the principal of every Debt Obligation and the interest thereon, at the dates and places and in the manner mentioned in the Debt Obligations, according to the true intent and meaning thereof and from the sources pledged for such payment pursuant to Section 104 and Section 301 and in accordance with Section 303.

Section 403. Power to Issue Debt Obligations and Pledge Receipts. The City represents that it is duly authorized under all applicable laws to authorize and issue the Debt

Obligations, to adopt the Ordinance and, subject to the provisions of the First Lien Ordinance, to pledge the moneys purported to be pledged hereby in the manner and to the extent provided in the Ordinance. Subject to the lien and pledge of the First Lien Ordinance, the moneys so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon, or with respect thereto prior to, or of equal rank with, the pledge created by the Ordinance, and all corporate or other action on the part of the City to that end has been and will be duly and validly taken. The Debt Obligations and the provisions of the Ordinance are and will be the valid and legally enforceable obligations of the City in accordance with their terms and the terms of the Ordinance. The City shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the moneys pledged under the Ordinance and all rights of the Holders under the Ordinance against all claims and demands of all persons whomsoever.

The City pledges to and agrees with the Holders of Debt Obligations that until the Debt Obligations, together with interest thereon, with interest on any unpaid installment of interest and all costs and expenses in connection with any action or proceedings by or on behalf of such Holders, are fully met and discharged, the City will continue to cause the Tax Receipts, Municipal Sales Tax Receipts and State Sales Tax Receipts to be applied in accordance with the Redevelopment Act, the First Lien Ordinance and the Ordinance.

Section 404. Creation of Liens. The City shall not issue any bonds, notes, or other evidences of indebtedness, other than the Debt Obligations and TIF Municipal Account Bonds secured by a pledge of or other lien or charge on the Remaining TIF Revenue Stream and shall not create or cause to be created any lien or charge on the Remaining TIF Revenue Stream except for the lien and charge created by the Ordinance; provided, however, that neither this Section or any other provision of the Ordinance shall prevent the City from issuing bonds or notes or other obligations payable out of, or secured by a pledge of, the Remaining TIF Revenue Stream to be derived on or after such date as the pledges thereof and of the moneys held in the Public Redevelopment Projects Account provided in the Ordinance shall be discharged and satisfied as provided in Section 801, or from issuing bonds or notes or other obligations, which are secured by the pledge of amounts which may be withdrawn from the TIF Municipal Account and released from the lien of the Ordinance.

Section 405. Further Assurances. At any and all times the City shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular its interest in the moneys pledged hereby for the payment of the principal of and interest on the Debt Obligations.

Section 406. Redevelopment Plan and Project Area. The City will not modify the Redevelopment Plan or alter the boundaries of the Redevelopment Project Area or the State Sales Tax Boundary in any manner which would result in a diminution of the amount of TIF Revenue Stream or in any other manner impair the security of the Holders with respect thereto; except upon the filing with the City Clerk of the written consents to such modification or alteration of the Holders of at least (a) a majority in aggregate principal amount of the Outstanding Developer Notes, and (b) a majority in aggregate principal amount of the Outstanding Bonds.

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Section 407. Tax Exemption. The City will not take any action or omit to take any action which is lawful and within its power to take, and which, if taken or omitted, would cause interest on any Tax-Exempt Developer Note to become subject to federal income taxes in addition to federal income taxes to which interest on such Tax-Exempt Developer Note is subject on the date of original issuance thereof.

The City will not permit any of the proceeds of the Tax-Exempt Developer Notes, or any facilities financed with such proceeds, to be used in any manner that would cause any Tax-Exempt Developer Note to constitute a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986.

The City will not permit any of the proceeds of the Tax-Exempt Developer Notes or other moneys to be invested in any manner that would cause any Tax-Exempt Developer Note to constitute an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986 or a "hedge bond" within the meaning of Section 149(g) of the Internal Revenue Code of 1986.

The City will comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986 relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

Section 408. Annual Report. The City shall submit annually to the Department of Revenue of the State and to each taxing district, the information report required under Section 11-74.4-8a(6) of the Redevelopment Act. A copy of each such information report shall be filed with the City Clerk within 180 days after the close of each fiscal year of the City.

Section 409. Conditions Precedent. Upon the date of issuance of any of the Debt Obligations, all conditions, acts and things required by the Illinois Constitution of 1970 or by the Redevelopment Act or by the Ordinance to exist, to have happened or to have been performed precedent to or in the issuance of such Debt Obligations shall exist, have happened and have been performed and such Debt Obligations, together with all other obligations of the City, shall be within every debt and other limit prescribed by said Constitution or the laws of the State.

ARTICLE V

Supplemental Ordinances

Section 501. Supplemental Ordinances Effective Without Consent. For any one or more of the following purposes and at any time or from time to time, an ordinance of the City supplementing the Ordinance may be adopted by the City Council, which ordinance shall be fully effective in accordance with its terms without the consent of any Holder:

- (1) To add to the covenants or agreements contained in the Ordinance other covenants or agreements to be observed by the City which are not contrary to or inconsistent with the Ordinance as theretofore in effect;

(2) To surrender any right, power or privilege reserved to or conferred upon the City by the Ordinance;

(3) To specify, determine or authorize any and all matters and things relative to the Debt Obligations or the proceeds thereof which are not contrary to or inconsistent with the Ordinance as theretofore in effect;

(4) To authorize Bonds or, in connection therewith, specify, determine or authorize the matters and things mentioned or referred to in Article II and also any other matters and things relative to such Bonds or the proceeds thereof which are not contrary to or inconsistent with the Ordinance as theretofore in effect;

(5) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Ordinance; and

(6) To insert such provisions clarifying matters or questions arising under the Ordinance as are necessary or desirable and are not contrary to or inconsistent with the Ordinance as theretofore in effect.

Section 502. Supplemental Ordinances Effective with Consent of Holders.

(A) At any time or from time to time, an ordinance of the City amending or supplementing the Ordinance may be adopted by the City Council modifying any of the provisions of the Ordinance or releasing the City from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, but no such ordinance shall be effective until and unless such ordinance is consented to by the Holders in accordance with and subject to the provisions of Article VI.

(B) The provisions of Paragraph (A) of this Section shall not be applicable to ordinances of the City adopted and becoming effective in accordance with the provisions of Section 501.

Section 503. Restriction on Amendments. The Ordinance shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article and Article VI. Nothing in this Article or Article VI contained shall affect or limit the right or obligation of the City to pass, make, do, execute, acknowledge or deliver any resolution, act, deed, conveyance, assignment, transfer or assurance pursuant to the provisions of Section 405.

Section 504. Filing of Counsel's Opinion. A copy of every Supplemental Ordinance, when filed with the City Clerk, shall be accompanied by a Counsel's Opinion to the effect that such ordinance has been duly and lawfully adopted by the City Council in accordance with the provisions of the Ordinance is authorized or permitted by the provisions of the Ordinance, and, when effective, will be valid and binding upon the City and enforceable in accordance with its terms.

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ARTICLE VI

Amendments

Section 601. Mailing. Any provision in this Article for the mailing of a notice or other paper to Holders shall be fully complied with if it is mailed or delivered only to each Holder at the address of such Holder appearing upon the registration books of the City kept at the office of the City Treasurer.

Section 602. Powers of Amendment. Any amendment of the Ordinance may be made by a Supplemental Ordinance with the written consent given as provided in Section 603 of the Holders of at least (i) a majority in aggregate principal amount of the Developer Notes Outstanding and (ii) a majority in aggregate principal amount of the Bonds Outstanding. No such amendment shall effect a change in the maturity or terms of redemption of the principal of any Outstanding Debt Obligation or of any installment of interest thereon or a reduction in the principal amount or Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Debt Obligation, or shall create a preference or priority of any Debt Obligation over any other Debt Obligation without the consent of the Holder of the Debt Obligation adversely affected, or shall reduce the percentages or otherwise affect the description of Debt Obligations the consent of the Holders of which is required to effect any such amendment.

Debt Obligations owned or held by or for the account of the City shall be excluded and shall not be deemed Outstanding for the purpose of any calculation of Outstanding Debt Obligations provided for in this Article.

Section 603. Consent of Holders. The City Council may at any time adopt an ordinance authorizing an amendment of the Ordinance permitted by the provisions of Section 602, to take effect when and as provided in this Section. A copy of such amendment (or summary thereof or reference thereto) together with a request to Holders for their consent thereto, shall be mailed by the City to Holders, but failure to mail such copy and request shall not affect the validity of such amendment when consented to as in this Section provided. Such amendment shall not be effective unless and until, and shall take effect in accordance with its terms when (a) there shall have been filed with the City Clerk (i) the written consents of the Holders of at least a majority in aggregate principal amount of Outstanding Bonds, (ii) the written consents of the Holders of at least a majority in aggregate principal amount of Outstanding Developer Notes, and (iii) a Counsel's Opinion stating that such amendment has been duly authorized by the City in accordance with the provisions of the Ordinance, is permitted by the Ordinance and, when effective, will be valid and binding upon the City and the Holders, and (b) a notice shall have been mailed as hereinafter in this Section provided. Any such consent shall be effective only if accompanied by proof of the ownership, at the date of such consent, of the Debt Obligations with respect to which such consent is given. A certificate or certificates by the City Clerk that such proof is sufficient under the provisions of Section 802 shall be conclusive that consents have been given by the Holders described in such certificate or certificates. Any such consent shall be binding upon the Holder giving such consent and upon any subsequent Holder of such Debt Obligations and of any Debt Obligations issued in exchange therefor whether or not such subsequent Holder has notice thereof. Any consent may be

delivered or filed prior to any mailing required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing.

Within thirty days of any date on which the consents on file with the City Clerk shall be sufficient under this Section, the City Clerk shall make and file of record a written statement that the consents of the Holders of the required percentage of Outstanding Bonds and the required percentage of Outstanding Developer Notes have been filed. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the amendment has been consented to by the Holders and will be effective as provided in this Section, shall be given by mailing to Holders at least once within sixty days after such statement of the City Clerk has been so filed. A record, consisting of the papers required or permitted by this Section to be filed by or with the City Clerk, shall be proof of the matters therein stated.

ARTICLE VII

Remedies on Default

Section 701. Events of Default. Each of the following shall constitute an event of default under the Ordinance and is hereby called "Event of Default,":

(1) a default shall be made in the observance or performance of any covenant, contract or other provision in the Ordinance contained and such default shall continue for a period of thirty days after written notice to the City from any Holder specifying such default and requiring the same to be remedied; or

(2) there shall be filed by the City a petition seeking an adjustment of indebtedness under any applicable law or statute of the United States of America or of the State.

Section 702. Enforcement by Holders. Upon the happening and continuance of an Event of Default or an event which upon sufficient notice may become an Event of Default described in Section 701, any Holder in its own name and on behalf and for the benefit and protection of the Holders of all Debt Obligations, may proceed to protect and enforce any rights of the Holders under the laws of the State or under the Ordinance by such suits, actions or proceedings in equity or at law, either for the specific performance of any covenant or contract contained herein or in aid or execution of any power herein granted or for any legal or equitable remedy as the Holder shall deem most effectual to protect and enforce the rights aforesaid.

Nothing in the Ordinance contained shall be deemed to give power to any Holder to vote the claims of other Holders in any bankruptcy proceeding or to accept or consent to any plan for reorganization, readjustment, arrangement or composition or other like plan, or by other action of any character to waive or change any right of any other Holder to any modification or amendment of the Ordinance requiring such consent or to any ordinance requiring such consent pursuant to the provisions of Article V or Article VI.

Nothing in this Article contained shall affect or impair the right of any Holder to enforce the payment of the principal or Redemption Price of and interest on his Debt Obligation, or the obligation of the City to pay the principal or Redemption Price of and interest on each Debt Obligation to the Holder thereof at the time and place in said Debt Obligation expressed.

Section 703. Accounting and Examination of Records after Default. The City covenants with the Holders that, if an Event of Default shall have happened and shall not have been remedied, (1) the books of record and account of the City relating to the Redevelopment Project and the Tax Allocation Fund shall at all times be subject to the inspection and use of the Holders and of their agents and attorneys, and (2) the City, on demand, will account, as if it were the trustee of an express trust, for all Tax Receipts, Municipal Sales Tax Receipts and State Sales Tax Receipts and other moneys, securities and funds pledged or held under the Ordinance for such period as shall be stated in such demand.

Section 704. Remedies Not Exclusive. No remedy by the terms of the Ordinance conferred upon or reserved to the Holders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder now or hereafter existing at law or in equity or by statute.

Section 705. Effect of Waiver and Other Circumstances. No delay or omission of any Holders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein, and every right, power and remedy given by the Ordinance to them or any of them may be exercised from time to time and as often as may be deemed expedient by the Holders. In case the Holders shall have proceeded to enforce any right under the Ordinance, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Holders, then and in every such case the City and the Holders will be restored to their former positions and rights hereunder with respect to all rights, remedies and powers of the Holders, which shall continue as if no such proceedings had been taken.

ARTICLE VIII

Miscellaneous

Section 801. Defeasance and Payment of Debt Obligations. (A) If the City shall pay or cause to be paid to the Holders of the Debt Obligations, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Ordinance, then the pledge of moneys, securities and funds hereby pledged and the covenants, agreements and other obligations of the City to the Holders hereunder shall be discharged and satisfied.

(B) Any Debt Obligations, whether at or prior to the maturity or the redemption date of such Debt Obligations, shall be deemed to have been paid within the meaning of this Section if (1) in case any such Debt Obligations are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Debt Obligations for redemption and notice of such redemption shall have been duly given or provision shall have

been made for the giving of such notice, and (2) there shall have been deposited in trust pursuant to the Local Government Defeasance of Debt Law for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) Federal Obligations the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit in trust at the same time for such purpose, shall be sufficient, to pay when due the principal or Redemption Price of and interest due and to become due on said Debt Obligations on and prior to the redemption date or maturity date thereof. Any moneys so deposited may be invested only in Federal Obligations. The Federal Obligations and moneys deposited pursuant to this Section shall be held in trust for the payment of the principal or Redemption Price of and interest on said Debt Obligations. Payments of principal of and interest on any such Federal Obligations shall be withdrawn and used for the purpose of payment of such principal, Redemption Price or interest to the full extent necessary to accomplish such purpose. To the extent that payments of principal of and interest on any such Federal Obligations are not needed for such purpose, such payments may be paid over to the City free and clear of any trust, lien or pledge.

Section 802. Evidence of Signatures of Holders and Ownership of Debt Obligations. Any instrument which the Ordinance may require or permit to be signed and executed by Holders may be in one or more instruments of similar tenor, and shall be signed or executed by such Holders in person or by their attorneys duly authorized in writing. Any request, consent or other instrument executed by the Holder or owner of any Debt Obligation shall bind all future Holders of such Debt Obligation in respect of anything done or suffered to be done hereunder by the City in accordance therewith. Proof of (i) the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, or (ii) the ownership by any person of any Debt Obligation, shall be sufficient for any purpose of the Ordinance if made in the following manner:

(1) The fact and date of the execution by any Holder or his attorney of any such instrument may be proved by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer.

(2) The authority of a person or persons to execute any such instrument on behalf of a corporate Holder may be established without further proof if such instrument is signed by a person purporting to be an officer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or an assistant secretary.

(3) The ownership of Debt Obligations, the amount, numbers and other identification thereof, and the dates of owning the same, shall be proved by the registry books.

Section 803. Moneys Held for Particular Debt Obligations. The amounts held by the City for the payment of the interest, principal or Redemption Price due on any date with respect to particular Debt Obligation shall, pending such payment, be set aside and held in trust by it for the Holders of the Debt Obligation entitled thereto, and for the purposes of the

Ordinance such interest, principal or Redemption Price, after the due date thereof, shall no longer be considered to be unpaid.

Section 804. Form of Developer Notes. Subject to the provisions of the Ordinance, each Developer Note shall be in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required or permitted by the Ordinance:

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF DUPAGE

CITY OF WARRENVILLE

TAX INCREMENT REVENUE DEVELOPER NOTE, SERIES ____

The CITY OF WARRENVILLE (the "City"), a municipal corporation of the State of Illinois situated in the County of DuPage, acknowledges itself indebted and for value received hereby promises to pay, solely from the sources herein set forth, to _____ or registered assigns, the principal amount of _____, on December 1, 2009, upon presentation and surrender of this note at the office of the City Treasurer and to pay interest on the unpaid principal amount of this note from its date at the rate of _____ per centum (_____%) per annum, computed on the basis of a 360 day year consisting of twelve 30 day months and payable on _____ 1, 19__ and quarter-annually thereafter on the first days of March, June, September and December in each year. Interest to maturity is payable by wire transfer pursuant to an agreement between the City and the registered owner, or otherwise by check or draft mailed to the registered owner of record hereof, as of the 15th day of the calendar month next preceding such interest payment date, at the address of such registered owner appearing on the registration books maintained by the City for such purpose at the office of the City Treasurer. Both principal of and interest on this note are payable in lawful money of the United States of America.

This note is one of a duly authorized series of notes of the City designated "Tax Increment Revenue Developer Notes, Series ____" and issued in the aggregate principal amount of \$ _____ (the "Notes") under and pursuant to the provisions of the Tax Increment Allocation Redevelopment Act, 65 Illinois Compiled Statutes 5/11-74.4 (the "Redevelopment Act") and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and by virtue of an ordinance adopted by the City Council of the City on February 22, 1994 and entitled: "Ordinance Approving a Redevelopment and Financing Agreement and Authorizing the Issuance of Tax Increment Revenue Bonds and Tax Increment Developer Revenue Notes of the City Warrenville, Illinois" (the "Authorizing Ordinance"). This note is one of the \$39,166,841 aggregate principal amount of Tax Increment Revenue Developer Notes authorized to be issued under and pursuant to the Authorizing Ordinance.

The Notes are limited obligations of the City payable solely from the Remaining TIF Revenue Stream (as defined in the Authorizing Ordinance) that is required to be deposited in the Public Redevelopment Projects Account of the Special Tax Allocation Fund established by the City. The Remaining TIF Revenue Stream consists of a portion of (a) incremental taxes received by the City Treasurer pursuant to Section 11-74.4-8 of the Redevelopment Act, and (b) the state and local sales tax increment received by the City Treasurer pursuant to Section 11-74.4-8 (a) of the Redevelopment Act (collectively, the "TIF Revenues"). Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the principal of or interest on the Notes.

In the event that, on any interest payment date, there are insufficient moneys in the Public Redevelopment Projects Account to pay interest on the Tax Increment Revenue Developer Notes, as such interest become due, available moneys will be applied to the payment of such interest in the order in which the Tax Increment Revenue Developer Notes were issued and, with respect to this note, interest on such unpaid interest shall accrue at the rate per annum herein specified.

The Notes are all equally and ratably secured and entitled to the protection given by the Authorizing Ordinance, including a lien on the Public Redevelopment Projects Account, on a parity with the \$ _____ principal amount of Tax Increment Revenue Developer Notes and the \$ _____ principal amount of Tax Increment Revenue Bonds heretofore issued pursuant to the Authorizing Ordinance, and any Tax Increment Revenue Developer Notes or Tax Increment Revenue Bonds hereafter issued under the Authorizing Ordinance.

The City has heretofore issued \$ _____ principal amount of Tax Increment Revenue Bonds payable from TIF Revenues and secured by a lien on the TIF Municipal Account of the Special Tax Allocation Fund, and the City may hereafter issue additional Tax Increment Revenue Bonds payable from TIF Revenues and secured by a lien on the TIF Municipal Account for the purpose of financing Redevelopment Project Costs under the Redevelopment Act.

The application of TIF Revenues for the payment of the Notes is subject to the prior pledge of, and first lien on, the TIF Revenues established pursuant to Ordinance No. 1167, adopted by the City Council on July 15, 1991 (the "First Lien Ordinance") for the benefit and security of the \$500,000 Tax Increment Bonds, Series 1991A, of the City heretofore issued pursuant to the First Lien Ordinance.

The Notes are transferable only upon the books of the City kept for that purpose at the office of the City Treasurer, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the City duly executed by the registered owner or such duly authorized attorney, and thereupon the City shall issue in the name of the transferee, a new Note or Notes or the same aggregate principal amount, maturity and interest rate as the surrendered Note. The City may treat and consider the person in whose name this note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever.

The Notes are issuable in the form of registered notes in any denomination. The Notes, upon surrender thereof at the office of the City Treasurer with a written instrument of transfer satisfactory to the City Treasurer, duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Notes of any denomination and of the same maturity and interest rate.

The Notes evidence the obligation of the City to pay or reimburse Eligible Developer Expenditures as defined and referred to in the Redevelopment and Financing Agreement (the "Redevelopment Agreement") dated as of February 1, 1994, by and between the City and Warrenville Development Limited Partnership (the "Developer"). Reference is made to the Authorizing Ordinance for a description of the rights and remedies of the registered owners of the Notes. Reference is made to the Authorizing Ordinance and the Redevelopment Agreement for a description of the allocation of tax increment revenues and the circumstances under which failures or defaults by the Developer under the Redevelopment Agreement may limit the issuance of additional Tax Increment Revenue Developer Notes and the obligation of the City to deposit moneys in the Public Redevelopment Projects Account.

This note is subject to redemption at the option of the City, as a whole, or in part, at any time, at a redemption price equal to the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption. All outstanding Tax Increment Revenue Developer Notes, including this note, are subject to mandatory redemption, as a whole at any time, or in part on any interest payment date, by the application of excess amounts in the Public Redevelopment Projects Account, at a redemption price equal to the principal amount thereof to be redeemed together with interest accrued thereon to the date fixed for redemption. Notice of the redemption of this note will be mailed to the registered owner of this note not less than 10 days prior to the date fixed for redemption.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to the issuance of this note, do exist, have happened and have been performed in the time, form and manner required by law and that the issue of notes of which this note is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by law.

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IN WITNESS WHEREOF, the City of Warrenville, has caused this note to be executed by the manual or facsimile signature of its Mayor and its corporate seal, or a facsimile thereof, to be impressed or reproduced thereon and attested by its City Clerk.

Dated: _____.

CITY OF WARRENVILLE

By _____
Mayor

(SEAL)

Attest:

Rosemary D. Tierney
City Clerk

ASSIGNMENT

For value received the undersigned hereby sells, assigns, and transfers unto _____ the within Note, and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Section 805. No Personal Liability. No recourse shall be had for the payment of the principal of or the interest on the Debt Obligations or for any claim based thereon or on the Ordinance against any officer of the City or any person executing the Debt Obligations; provided however, that nothing herein shall bar recourse in mandamus or otherwise to any such person or officer in his corporate as opposed to his individual capacity.

Section 806. Authorized Acts of City Officers. The City Officers and each of them are authorized and directed to do and perform all things, to execute all papers in the name of the City and to make all payments necessary for the City to carry out its obligations under the terms of the Redevelopment Agreement, the Ordinance and the Debt Obligations, including

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all things necessary in connection with the execution and delivery of the Redevelopment Agreement and the issuance of Debt Obligations.

Section 807. Enactment. The City Clerk is hereby authorized and directed to publish the Ordinance in pamphlet form and to display copies thereof at a public place in City Hall for a period of 30 days. This ordinance shall become effective upon its passage, approval and publication in pamphlet form in the manner provided by law.

Adopted this 22nd day of February, 1994, by roll call vote as follows:

Ayes: Ald. Miller, Groth, Hackenbruch, Carroll, Ulery and Murphy

Nays: Ald. Siebert and Johnston

Abstain: None

Approved: February 22, 1994

Dorian M. Lund
Mayor

Published in pamphlet form: February 23, 1994

(SEAL)

Attest:

Rosemary D. Tierney
City Clerk

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CERTIFICATE

I, Rosemary Tierney, City Clerk of the City of Warrenville, Illinois, hereby certify that the foregoing ordinance entitled: "Ordinance Approving a Redevelopment and Financing Agreement and Authorizing the Issuance of Tax Increment Revenue Bonds and Tax Increment Revenue Developer Notes of the City of Warrenville, Illinois," is a true copy of an original ordinance which was duly adopted by the recorded affirmative votes of a majority of the members of the City Council of the City at a meeting thereof which was duly called and held at 7:30 p.m. on February 22, 1994, in the Council Chambers at the City Hall, and at which a quorum was present and acting throughout, and that said copy has been compared by me with the original ordinance signed by the Mayor of the City on February 22, 1994, published in pamphlet form on February 23, 1994 and recorded in the Ordinance Book of the City and that it is a correct transcript thereof and of the whole of said ordinance, and that said ordinance has not been altered, amended, repealed or revoked, but is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City this 25th day of February, 1994.

Rosemary D. Tierney
City Clerk

(SEAL)

ORDINANCE #1297

REDEVELOPMENT AND FINANCING AGREEMENT AVAILABLE UPON REQUEST

FROM CITY CLERK'S OFFICE

11000000

ORDINANCE #1297

REDEVELOPMENT AGREEMENT AVAILABLE IN CLERK'S OFFICE (SEE AGREEMENTS)