



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title: Issuance of General Obligation Corporate Purpose Bonds and General Obligation Refunding Bonds, Series 2012

Presenter: Chris Minick, Finance Director

Please check appropriate box:

XX	Government Operations (8/20/2012)		Government Services
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:		Budgeted:	YES	XX	NO	
-----------------	--	-----------	-----	----	----	--

If NO, please explain how item will be funded:

Executive Summary:

Attached is the ordinance providing for the issuance of three separate series of bonds:

- 1) General Obligation Corporate Purpose Series 2012A - These bonds will be used to fund the Red Gate Bridge construction as well as the Emerald Ash Borer program.
- 2) General Obligation Refunding Bonds, Series 2012B - These bonds are being issued to advance refund a portion of the 2004 and 2005A General Obligation Bonds.
- 3) Taxable General Obligation Corporate Purpose Refunding Bonds Series 2012C - These bonds are being issued to advance refund a portion of the City's Taxable General Obligation Refunding Bonds Series 2005B.

The refunding actions will result in a cost savings for the City due to lower interest payments. The exact amount of the savings is subject to change and municipal bond market conditions between now and the bond closing, but is currently estimated at approximately \$522,000 over the next 12 years.

The Ordinance specifies the parameters which must be met for the City to issue the bonds. The parameters are established due to the fluctuating nature of the municipal bond market and timing of the pricing, sale, and closing of the bonds. The ordinances authorize City execution of the proper bond documents as long as the parameters are met. As an additional safeguard, the City is legally prohibited from issuing refunding bonds unless a cost savings results.

Attachments: *(please list)*

Ordinance

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve an Ordinance Authorizing the Issue of General Obligation Corporate Purpose Bonds and General Obligation Refunding Bonds of the City of St Charles, Series 2012.

For office use only: *Agenda Item Number:* 6a

ORDINANCE NUMBER _____

AN ORDINANCE providing for the issuance of one series of General Obligation Corporate Purpose Bonds and one or more series of General Obligation Refunding Bonds of the City of St. Charles, Kane and DuPage Counties, Illinois, authorizing the execution of one or more bond orders and one or more escrow agreements in connection therewith, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

Adopted by the City Council on the
4th day of September, 2012.

TABLE OF CONTENTS

SECTION	HEADING	PAGE
Preambles.....		1
SECTION 1.	DEFINITIONS	6
SECTION 2.	INCORPORATION OF PREAMBLES	14
SECTION 3.	DETERMINATION TO ISSUE BONDS	14
SECTION 4.	BOND DETAILS.....	15
SECTION 5.	REGISTRATION OF BONDS; PERSONS TREATED AS OWNERS	17
SECTION 6.	BOOK ENTRY PROVISIONS.....	19
SECTION 7.	EXECUTION; AUTHENTICATION	21
SECTION 8.	REDEMPTION.....	21
SECTION 9.	FORM OF BONDS	27
SECTION 10.	SECURITY FOR THE BONDS.....	35
SECTION 11.	TAX LEVY; ABATEMENTS	35
SECTION 12.	FILING WITH COUNTY CLERKS	37
SECTION 13.	SALE OF BONDS; BOND ORDER; OFFICIAL STATEMENT	38
SECTION 14.	SPECIAL TAX ALLOCATION FUND AND ACCOUNTS; INCREMENTAL HOTEL TAX AND SALES TAX FUND.....	40
SECTION 15.	GENERAL COVENANTS FOR SERIES 2012C BONDS.....	44
SECTION 16.	CONTINUING DISCLOSURE UNDERTAKING	46

SECTION 17.	CREATION OF FUNDS AND APPROPRIATIONS AND APPROVAL OF ESCROW AGREEMENT	47
SECTION 18.	ADDITIONAL BONDS	50
SECTION 19.	GENERAL TAX COVENANTS	50
SECTION 20.	CERTAIN SPECIFIC TAX COVENANTS.....	51
SECTION 21.	TAXES PREVIOUSLY LEVIED	53
SECTION 22.	MUNICIPAL BOND INSURANCE.....	54
SECTION 23.	RIGHTS AND DUTIES OF BOND REGISTRAR	54
SECTION 24.	DEFEASANCE.....	56
SECTION 25.	PUBLICATION OF ORDINANCE	57
SECTION 26.	SEVERABILITY	57
SECTION 27.	SUPERSEDER AND EFFECTIVE DATE	58

ORDINANCE NUMBER _____

AN ORDINANCE providing for the issuance of one series of General Obligation Corporate Purpose Bonds and one or more series of General Obligation Refunding Bonds of the City of St. Charles, Kane and DuPage Counties, Illinois, authorizing the execution of one or more bond orders and one or more escrow agreements in connection therewith, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

PREAMBLES

WHEREAS

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

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

C. The City Council of the City (the “Corporate Authorities”) has determined it is necessary and convenient for the public health, safety and welfare to construct a bridge over the Fox River, in and for the City, to be owned and maintained by the City, and to remove and replace certain trees in and for the City that were damaged or destroyed by infestation (such improvements and related expenses and costs being the “2012A Project”), at an estimated cost of not to exceed \$9,825,000 and, there being no funds on hand and allocable to the purpose, the Corporate Authorities have determined it is necessary and convenient to borrow not to exceed

\$9,825,000 at this time pursuant to the Act and, in evidence of such borrowing, to issue general obligation corporate purpose bonds of the City in such principal amount.

D. The Corporate Authorities have heretofore approved a redevelopment plan and project for and designated a redevelopment project area in the City known as the “City of St. Charles, Illinois, Tax Increment Redevelopment Project Area” (the “*Project Area*”), all pursuant to the Tax Increment Allocation Redevelopment Act, as amended (the “*TIF Act*”).

E. The Corporate Authorities have heretofore adopted tax increment allocation financing for the Project Area pursuant to the TIF Act.

F. The City has heretofore by publication of notice on the 20th day of February, 1997, in the *Kane County Chronicle*, being a newspaper of general circulation in the taxing districts affected by the designation of the Project Area, solicited bids and proposals for the redevelopment of the Project Area.

G. To pay redevelopment project costs incurred in connection with the redevelopment of the Project Area, the City has heretofore by Ordinance Number 1997-M-26, adopted on the 3rd day of March, 1997, authorized the execution of the hereinafter defined Loan Agreement and the hereinafter defined Redevelopment Agreement.

H. The City has heretofore publicly disclosed the terms of the Loan Agreement and the Redevelopment Agreement.

I. The Corporate Authorities have heretofore determined that it was necessary and advisable for the public health, safety, welfare, and convenience of residents of the City that the City assist The Hotel Baker Group, L.L.C., an Illinois limited liability company and successors and assigns (the “*Developer*”), in the restoration and rehabilitation of that certain structure located within the Project Area and generally known as the Hotel Baker, by loaning, upon certain

conditions as enumerated in the hereinafter defined Redevelopment Agreement, certain funds to the Developer, for payment of certain eligible redevelopment project costs under the TIF Act.

J. In order to effectuate said loan the City has heretofore issued its Taxable General Obligation Corporate Purpose Bonds, Series 1997, which bonds were advance refunded by the hereinafter defined Series 2005B Bonds.

K. Pursuant to the hereinafter defined Act and the TIF Act, as supplemented by Division 4 of Article 8 of the Illinois Municipal Code, as amended, and by the Local Government Debt Reform Act, as amended, and the other Omnibus Bond Acts (as set forth and defined in 5 ILCS 70/8), as amended, the City is authorized to issue its general obligation tax increment allocation bonds without referendum approval to pay the costs of refunding the Series 2005B Bonds.

L. The City has heretofore issued the following outstanding and validly subsisting and unpaid general obligation bonds:

GENERAL OBLIGATION BONDS, SERIES 2004

Original Principal Amount: \$6,375,000

Dated: December 22, 2004

Originally Due Serially: December 1, 2006, to 2024, inclusive

Amount eligible to be refunded: \$1,910,000

Bonds and Bonds eligible to be Refunded Due December 1 and Described as follows:

YEAR	AMOUNT (\$) ORIGINAL BONDS DUE	AMOUNT (\$) ELIGIBLE TO BE REFUNDED	RATE OF INTEREST (%)
2012	290,000	290,000	3.40
2013	300,000	300,000	3.40
2014	310,000	310,000	3.50
2015	325,000	325,000	3.60
2016	335,000	335,000	3.70
2017	350,000	350,000	3.85

of which those bonds coming due on and after December 1, 2013, are subject to redemption on December 1, 2012, and any date thereafter, at a redemption price of par plus accrued interest to the date of redemption (the "*Series 2004 Bonds*"); and

GENERAL OBLIGATION BONDS, SERIES 2005A

Original Principal Amount: \$16,500,000
 Dated: June 29, 2005
 Originally Due Serially: December 1, 2007, to 2025, inclusive
 Amount eligible to be refunded: \$13,150,000

Bonds and Bonds eligible to be Refunded Due December 1 and Described as follows:

YEAR	AMOUNT (\$) ORIGINAL BONDS DUE	AMOUNT (\$) ELIGIBLE TO BE REFUNDED	RATE OF INTEREST (%)
2012	750,000	750,000	4.000
2013	750,000	750,000	4.000
2014	800,000	800,000	4.000
2015	825,000	825,000	4.250
2016	850,000	850,000	4.250
2017	875,000	875,000	4.250
2018	900,000	900,000	4.250
2019	950,000	950,000	4.250
2020	975,000	975,000	4.250
2021	1,000,000	1,000,000	4.250
2022	1,050,000	1,050,000	4.250
2023	1,100,000	1,100,000	4.250
2024	1,150,000	1,150,000	4.375
2025	1,175,000	1,175,000	4.500

of which those bonds coming due on and after December 1, 2014, are subject to redemption on December 1, 2013, and any date thereafter, at a redemption price of par plus accrued interest to the date of redemption (the "*Series 2005A Bonds*"); and

TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE REFUNDING BONDS, SERIES 2005B

Original Principal Amount: \$2,615,000

Dated: June 29, 2005

Originally Due Serially: December 1, 2005, to 2016, inclusive

Amount eligible to be refunded: \$1,695,000

Bonds and Bonds eligible to be Refunded Due December 1 and Described as follows:

YEAR	AMOUNT (\$) ORIGINAL BONDS DUE	AMOUNT (\$) ELIGIBLE TO BE REFUNDED	RATE OF INTEREST (%)
2012	275,000	275,000	4.55
2013	305,000	305,000	4.65
2014	335,000	335,000	4.75
2015	370,000	370,000	4.80
2016	410,000	410,000	4.85

of which those bonds coming due on and after December 1, 2014, are subject to redemption on December 1, 2013, and any date thereafter, at a redemption price of par plus accrued interest to the date of redemption (the "*Series 2005B Bonds*" and, together with the Series 2004 Bonds and the Series 2005A Bonds, the "*Prior Bonds*").

M. For the maturities which remain outstanding, interest rates may currently be more favorable in the market for municipal bonds than they were at the time the Prior Bonds were issued, and it may be possible to refund all or a portion of the Prior Bonds to achieve a net aggregate dollar and present value savings.

N. Pursuant to the Act as defined below, the City is authorized to issue general obligation bonds to accomplish the refunding, including payment of related costs of issuance of bonds and of such refunding (all being the "*Refunding*"), of Prior Bonds, and it is deemed necessary and desirable to provide for the issuance of not to exceed \$14,400,000 principal amount general obligation bonds for the purpose of refunding all or a portion of the Series 2004 Bonds and all or a portion of the Series 2005A Bonds, and of not to exceed \$1,300,000 principal amount of taxable general obligation tax increment bonds for the purpose of refunding all or a portion of the Series 2005B Bonds, and for the purpose of realizing such net debt service savings.

O. The Corporate Authorities do hereby determine that it is advisable and in the best interests of the City to borrow not to exceed \$15,700,000 at this time pursuant to such Act for the purpose of paying the costs of the Refunding and in evidence of such borrowing, to issue full faith and credit bonds of the City in not to exceed the aggregate principal amount of \$15,700,000, which bonds may be issued as one series of full faith and credit bonds of the City in not to the principal amount of not to exceed \$14,400,000 for the purpose of refunding all or a portion of the Series 2004 Bonds and all or a portion of the Series 2005A Bonds, and one series of full faith and credit tax increment bonds of the City in not to exceed the principal amount of \$1,300,000 for the purpose of refunding all or a portion of the Series 2005B Bonds.

P. The Corporate Authorities have heretofore, and it hereby expressly is, determined that it is desirable and in the best interests of the City that certain officers of the City be authorized to sell one or more series of bonds from time to time and accordingly, it is necessary that said officers be so authorized with certain parameters as hereinafter set forth.

NOW THEREFORE Be It Ordained by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, in the exercise of its home rule powers, as follows:

Section 1. Definitions. Words and terms used in this Ordinance shall have the meanings given them, unless the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

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

City

Corporate Authorities

Developer

Prior Bonds

2012A Project

Project Area

Refunding

Series 2004 Bonds

Series 2005A Bonds

Series 2005B Bonds

TIF Act

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

“*Act*” means the Illinois Municipal Code, as supplemented and amended, including specifically therein the TIF Act, and also the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970; and in the event of conflict between the provisions of the code and home rule powers, the home rule powers shall be deemed to supersede the provisions of the code.

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

“*Additional Bonds*” means any bonds issued in the future on a parity with and sharing ratably and equally in all or any portion of the Incremental Property Taxes, the Incremental Hotel Taxes, the Incremental Sales Taxes, and the Developer Payments, with any Outstanding Series 2005B Bonds and the Series 2012C Bonds.

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

“*Bond Fund*” means, collectively, the Bond Funds established and defined for each Series of Bonds in (Section 17 of) this Ordinance.

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

“*Bond Order*” means a Bond Order as authorized to be executed by Designated Officers of the City as provided in (Section 13 of) this Ordinance, and by which the final terms of one or more Series of the Bonds will be established.

“*Bond Purchase Agreement*” means the contract for the sale of one or more Series of the Bonds by and between the City and the Purchaser.

“*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 Amalgamated Bank of Chicago, a national banking association, having trust offices located in the City of Chicago, Illinois, or its successors, in its capacity as bond registrar and paying agent under this Ordinance, or a substituted bond registrar and paying agent as hereinafter provided.

“*Bond Year*” means the twelve calendar month period beginning on December 2 of any calendar year and ending to the subsequent December 1.

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

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

“*Business Day*” means any day other than a day on which banks in New York, New York, Chicago, Illinois, or the city in which the Bond Registrar maintains an office designated for the purpose, are required or authorized to close.

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

“*Continuing Disclosure Undertaking*” means the undertaking by the City for the benefit of the Purchaser as authorized in (Section 16 of) this Ordinance.

“*Counties*” means The Counties of Kane and of DuPage, Illinois.

“*County Clerks*” means the respective County Clerks of the Counties.

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

“*Designated Officers*” means the Mayor, City Administrator and Finance Director, or successors and assigns.

“*Developer Payments*” means any payments made to the City by Developer in accordance with and pursuant to the Loan Agreement and deposited into the Special Tax Allocation Fund as provided in Section 3.4 of the Loan Agreement.

“*Escrow Agent*” means Amalgamated Bank of Chicago, Chicago, Illinois, as escrow agent.

“*Escrow Agreement*” means the written escrow agreement between the City and the Escrow Agent, as more particularly referred to in (Section 17 of) this Ordinance.

“*Government Securities*” means direct full faith and credit obligations of the United States of America (including, bills, notes, bonds and obligations of the State and Local Government Series).

“Incremental Hotel Tax and Sales Tax Fund” means the account of such name heretofore created and expressly continued pursuant to (Section 14 of) this Ordinance.

“Incremental Hotel Taxes” means the increase, if any, in collections by the City of taxes levied pursuant to Section 8-11-6a of the Illinois Municipal Code, as amended, on the use of a hotel or motel room or similar facility located in the Project Area over and above the amount, if any, of such taxes collected in the Project Area during the 1996 calendar year.

“Incremental Property 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 Total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk of The County of Kane, Illinois, in accord with Section 11-74.4-9 of the TIF Act.

“Incremental Sales Taxes” means the increase, if any, in distributions by the State from the Local Government Distributive Fund to the City of Sales Taxes levied in the Project Area over and above the amount, if any, of such distributions in calendar year 1996.

“Interest Requirement” means, for any Bond Year, the aggregate amount of interest payable on the Outstanding Series 2005B Bonds, Series 2012C Bonds and any Additional Bonds during such Bond Year.

“Loan Agreement” means that certain Loan Agreement dated as of August 18, 1997, by and between the City and the Developer.

“*Ordinance*” means this Ordinance, numbered as set forth on the title page, and passed by the Corporate Authorities on the 4th day of September, 2012.

“*Outstanding*” or “*outstanding*” refers to Bonds, Prior Bonds and Additional Bonds which are 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 properly available, sufficient 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 and interest on such Bonds, Prior Bonds or Additional Bonds.

“*2012C Pledged Moneys*” means, collectively, 2012C Pledged Taxes and Developer Payments.

“*2012C Pledged Taxes*” means, collectively, the Ad Valorem Property Taxes levied for the Series 2012C Bonds, the Incremental Hotel Taxes, the Incremental Property Taxes, and the Incremental Sales Taxes.

“*Principal Requirement*” means, for any Bond Year, the aggregate principal amount of any Outstanding Series 2005B Bonds, the Series 2012C Bonds and any Additional Bonds having a Stated Maturity during such Bond Year.

“*Prior Tax-exempt Bonds*” means any of the Series 2004 Bonds or the Series 2005A Bonds.

“*Purchase Price*” means the price to be paid for a Series of the Bonds as set forth in a Bond Order, *provided* that no Purchase Price for any Series of Bonds shall be less

than ninety-eight percent (98.0%) of the par value of said Series of Bonds, plus accrued interest from the date of issue to the date of delivery.

“*Purchaser*” means Robert W. Baird & Co. Incorporated, Naperville, Illinois.

“*Qualified Investments*” means any investments for City funds as may be from time to time authorized under Illinois law.

“*Record Date*” means the 15th day of the month preceding any interest payment date.

“*Redevelopment Agreement*” means that certain St. Charles Tax Increment Financing Redevelopment Agreement dated as of March 26, 1997, by and between the City and the Developer.

“*Redevelopment Plan*” means the comprehensive program of the City for the Project Area heretofore approved by the Corporate Authorities by an ordinance adopted January 6, 1997.

“*Refunded Bonds*” means those of the Prior Bonds actually selected to be refunded and redeemed pursuant to the relevant Bond Order.

“*Refunding Bonds*” means, collectively, the Series 2012B Bonds and the Series 2012C Bonds.

“*Sales Taxes*” means sales taxes levied pursuant to the Use Tax Act, as amended, the Service Use Tax Act, as amended, the Service Occupation Tax Act, as amended, and the Retailers’ Occupation Tax Act, as amended, or successor taxes or charges imposed by the State of Illinois in lieu thereof or in addition thereto.

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

“*Series 2012A Bonds*” means the Tax-exempt Series 2012A Bonds authorized to be issued pursuant to this Ordinance for the purpose of providing for the 2012A Project, as set forth in (Section 4 of) this Ordinance.

“*Series 2012B Bonds*” means the Tax-exempt Series 2012B Bonds authorized to be issued pursuant to this Ordinance for the purpose of refunding certain Series 2004 Bonds and Series 2005A Bonds, as set forth in (Section 4 of) this Ordinance.

“*Series 2012C Bonds*” means the Taxable Series 2012C Bonds authorized to be issued pursuant to this Ordinance for the purpose of refunding certain Series 2005B Bonds, as set forth in (Section 4 of) this Ordinance.

“*Special Tax Allocation Fund*” or “*Fund*” means the 1997 City of St. Charles Tax Increment Redevelopment Project Area Special Tax Allocation Fund of the City, which is a special tax allocation fund for the Project Area established pursuant to the Act and continued and further described by (Section 14 of) this Ordinance.

“*Stated Maturity*” means, with respect to any Bond or any interest thereon, the fixed date on which the principal of such Bond or the interest thereon is due and payable, whether by maturity or otherwise.

“*Tax-exempt*” means, with respect to any of the Bonds issued as Tax-exempt Bonds (as set forth in the relevant Bond Order), the status of interest paid and received thereon as excludable from the gross income of the owners thereof under the Code for federal income tax purposes except to the extent that such interest may be taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations.

“*Tax-exempt Bonds*” means, collectively, the Series 2012A Bonds and the Series 2012B Bonds, as defined in (Section 4 of) this Ordinance.

“*Taxable*” means, with respect to any of the Bonds issued as Taxable Bonds (as set forth in the relevant Bond Order), the status of interest paid and received thereon as includible in gross income of the owners thereof for federal income tax purposes.

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

“*TIF Bonds*” means, collectively, any Outstanding Series 2005B Bonds, the Series 2012C Bonds, and any Additional Bonds.

“*TIF Project Costs*” means the sum total of all reasonable costs or necessary costs incurred in connection with the Refunding of the Series 2005B Bonds, and as expressly authorized by the TIF Act.

“*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 of The County of Kane, Illinois, in accordance with Section 11-74.4-9 of the TIF Act.

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

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

Section 3. Determination To Issue Bonds. It is necessary and in the best interests of the City to provide for the 2012A Project and the Refunding, to pay all necessary or advisable related costs, and to borrow money and issue the Bonds for the purpose of paying a part of such costs. It is hereby found and determined that such borrowing of money is for a proper public

purpose or purposes and is in the public interest, and is authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive.

Section 4. Bond Details. A. SERIES 2012A BONDS. For the purpose of providing for the 2012A Project, there shall be issued and sold Tax-exempt Bonds in one Series to be designated "*General Obligation Corporate Purpose Bond, Series 2012A*" or such other name or names or Series designations as may be appropriate and as stated in a relevant Bond Order, in not to exceed the principal amount of \$9,825,000. The Series 2012A Bonds shall mature in the amounts and in the years as shall be set forth in the relevant Bond Order, *provided, however, that* the maximum Stated Maturity date of the Series 2012A Bonds shall not extend past December 1, 2032. Each Series 2012A Bond shall bear interest at a rate not to exceed seven percent (7.0%) per annum, from the later of its Dated Date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Series 2012A Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on June 1, 2013, or such other June 1 or December 1 as shall be otherwise provided in a relevant Bond Order.

B. SERIES 2012B BONDS. For the purpose of providing for the Refunding of the Series 2004 Bonds and/or the Series 2005A Bonds, there shall be issued and sold Tax-exempt Bonds in one or more Series to be designated "*General Obligation Refunding Bond, Series 2012B*" or such other name or names or Series designations as may be appropriate and as stated in a relevant Bond Order, in not to exceed the principal amount of \$14,400,000. The Series 2012B Bonds shall mature in the amounts and in the years as shall be set forth in the relevant Bond Order, *provided, however, that* the maximum Stated Maturity date the Series 2012B Bonds shall not extend past December 1, 2025. Each Series 2012B Bond shall bear

interest at a rate not to exceed six and one half percent (6.50%) per annum, from the later of its Dated Date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Series 2012B Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on June 1, 2013, or such other June 1 or December 1 as shall be otherwise provided in a relevant Bond Order.

C. SERIES 2012C BONDS. For the purpose of providing for the Refunding of the Series 2005B Bonds, there shall be issued and sold Taxable Bonds in one Series to be designated "*Taxable General Obligation Refunding Bond, Series 2012C*" or such other name or names or Series designations as may be appropriate and as stated in a relevant Bond Order, in not to exceed the principal amount of \$1,300,000. The Series 2012C Bonds shall mature in the amounts and in the years as shall be set forth in the relevant Bond Order, *provided, however, that* the maximum Stated Maturity date of the Series 2012C Bonds shall not extend past December 1, 2016, which date is not later than December 31st of the year following the year in which payment is to be made to the City Treasurer with respect to incremental property taxes derived from ad valorem taxes levied in the twenty-third calendar year after adoption of the ordinance designating the Project Area, *to-wit:* December 31, 2021; the Corporate Authorities hereby further expressly find and determine that all of the redevelopment project costs that were financed with the proceeds of the Series 2005B Bonds or bonds refunded by the Series 2005B Bonds were included in the description of the redevelopment project for the Project Area set forth in the Redevelopment Plan. Each Series 2012C Bond shall bear interest at a rate not to exceed six percent (6.0%) per annum, from the later of its Dated Date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Series 2012C Bond is paid or duly provided for, such interest

(computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on June 1, 2013, or such other June 1 or December 1 as shall be otherwise provided in a relevant Bond Order.

D. GENERAL. The Bonds shall be dated on or before the date of issuance as may be set forth in a relevant Bond Order (for each Series, a "*Dated Date*"); and each Bond shall also bear the date of authentication thereof. The Bonds shall be fully registered and in Book Entry Form, shall be in denominations of \$5,000 or integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), and shall be numbered consecutively within Series in such fashion as shall be determined by the Bond Registrar. The Bonds shall become due and payable serially or as Term Bonds (subject to right of prior redemption) on December 1 of the years in which the Bonds are to mature. Interest on each Bond shall be paid by check or draft of the Bond Registrar, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date and mailed to the registered owner of the Bond as shown in the Bond Registrar or at such other address furnished in writing by such Registered Owner, or as otherwise may be agreed with the Depository for so long as the Depository or its nominee is the registered owner as of a given Record Date. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the office of the Bond Registrar maintained for the purpose or at successor Bond Register or locality. Further conditions of sale and delivery are set forth below (Section 13).

Section 5. Registration of Bonds; Persons Treated as Owners. The City shall cause the Bond Register to be kept at the office of the Bond Registrar maintained for such purpose, which is hereby constituted and appointed the registrar of the City for the Bonds. The City shall prepare, and the Bond Registrar or such other agent as the City may designate shall keep custody

of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds. Subject to the provisions of this Ordinance relating to the Bonds in Book Entry Form, any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the office of the Bond Registrar maintained for the purpose, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same Series and maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount. The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date or during the period of 15 days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or any portion of which has been called for redemption. The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however*, the principal amount of Bonds of each 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 6. Book Entry Provisions. The Bonds shall be initially issued in Book Entry Form. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of the Depository or a designee or nominee of the Depository (such depository or nominee being the "*Book Entry Owner*"). Except as otherwise expressly provided, all of the Outstanding Bonds from time to time shall be registered in the Bond Register in the name of the Book Entry Owner (and accordingly in Book Entry Form as such term is used in this Ordinance). Any City officer, as representative of the City, is hereby authorized, empowered, and directed to execute and deliver or utilize a previously executed and delivered Letter of Representations or Blanket Letter of Representations (either being the "*Letter of Representations*") substantially in the form common in the industry, or with such changes therein as the officer executing the Letter of Representations on behalf of the City shall approve, his or her execution thereof to constitute conclusive evidence of approval of such changes, as shall be necessary to effectuate Book Entry Form. Without limiting the generality of the authority given with respect to entering into such Letter of Representations, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interests therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices. With respect to Bonds registered in the Bond Register in the name of the Book Entry Owner, none of the City, any City officer, or the Bond Registrar shall have any responsibility or obligation to any broker-

dealer, bank, or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank, or other financial institution being referred to herein as a "*Depository Participant*") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the City, any City officer, and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Book Entry Owner, or any Depository Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register or as otherwise expressly provided in the Letter of Representations, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. In the event that (a) the City determines that the Depository is incapable of discharging its responsibilities described herein and in the Letter of Representations, (b) the agreement among the City, the Bond Registrar, and the Depository evidenced by the Letter of Representations shall be terminated for any reason, or (c) the City determines that it is in the best interests of the City or of the beneficial owners of the Bonds either that they be able to obtain certificated Bonds or that another depository is preferable, the City shall notify the Depository and the Depository shall notify the Depository Participants of the availability of Bond certificates, and the Bonds (of a given Series if applicable) shall no longer be restricted to being registered in the Bond Register in the name of the Book Entry Owner. Alternatively, at such time, the City may determine that the Bonds of such Series shall be registered in the name of and deposited with a successor depository

operating a system accommodating Book Entry Form, as may be acceptable to the City, or such depository's agent or designee, but if the City does not select such alternate book entry system, then the Bonds of such Series shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 7. Execution; Authentication. The Bonds shall be executed on behalf of the City by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk, as they may determine, and shall be impressed or imprinted with the corporate seal or facsimile seal of the City. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form provided, duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance.

Section 8. Redemption.

A. Optional Redemption. If so provided in the Bond Order, any Bond shall be subject to redemption prior to maturity at the option of the City, from any available moneys, in whole or in part and if in part in such principal amounts and from such maturities as shall be determined by the City and within any maturity by lot, on any date which is not later than the date which is

10 1/2 years from the Dated Date and on any date thereafter and at any redemption price which is not in excess of 103% of par, plus accrued interest to the date fixed for redemption.

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

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

(1) *Redemption Notice.* For a mandatory redemption, unless otherwise notified by the City, the Bond Registrar will proceed on behalf of the City as its agent to provide for the mandatory redemption of such Term Bonds without further order or direction hereunder or otherwise.

(2) *Selection of Bonds within a Maturity.* For purposes of any redemption of less than all of the Bonds of a Series of a single maturity, the particular Bonds or portions of Bonds of that Series to be redeemed shall be selected by lot by the Bond Registrar for the Bonds of that Series of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall make such selection (1) upon or prior to the time of the giving of official notice of redemption, or (2) in the event of a refunding or defeasance, upon advice from the City that certain Bonds have been refunded or defeased and are no longer Outstanding as defined.

(3) *Official Notice of Redemption.* The Bond Registrar shall promptly notify the City in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed. Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by first class U.S. mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

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

(a) the redemption date;

(b) the redemption price;

(c) if less than all of the Outstanding Bonds of a Series of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds of that Series within such maturity, the respective principal amounts) of the Bonds to be redeemed;

(d) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and

(e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office designated for that purpose of the Bond Registrar.

(4) *Conditional Redemption.* Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

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

(6) *Insufficiency in Notice Not Affecting Other Bonds; Failure to Receive Notice; Waiver.* Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. In lieu of the foregoing official notice, so long as the Bonds are held in Book Entry Form, notice may be given as provided in the Letter of Representations, and the giving of such notice shall constitute a waiver by the Depository and the Book Entry Owner, as registered owner, of the foregoing notice.

After giving proper notification of redemption to the Bond Registrar, as applicable, the City shall not be liable for any failure to give or defect in such notice.

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

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

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

(10) *Additional Notice.* The City agrees to provide such additional notice of redemption as it may deem advisable at such time as it determines to redeem Bonds, taking into account any requirements or guidance of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the Governmental Accounting Standards Board, or any other federal or state agency having jurisdiction or authority in such matters; *provided, however,* that such additional notice shall be (1) advisory in nature, (2) solely in the discretion of the City (unless a separate agreement shall be made),

(3) not be a condition precedent of a valid redemption or a part of the Bond contract, and
(4) any failure or defect in such notice shall not delay or invalidate the redemption of Bonds for which proper official notice shall have been given. Reference is also made to the provisions of the Continuing Disclosure Undertaking of the City with respect to the Bonds, which may contain other provisions relating to notice of redemption of Bonds.

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

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

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

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

[It is hereby certified and recited that all conditions, acts and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, 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 Hotel Taxes, the Incremental Sales Taxes, and the Incremental Property Taxes and the collection of the Ad Valorem Property Taxes and for depositing the Incremental Property Taxes and the Developer Payments into the Special Tax Allocation Fund, and further, that the City will properly account for the 2012C Pledged Moneys and will comply with all of the covenants and maintain the funds and accounts as provided by the Ordinance. The Ad Valorem Property Taxes on deposit in and to the credit of

2012C Ad Valorem Property Taxes Account shall be used first and are pledged for paying the principal of, interest on, and premium, if any, on the Bonds.]

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 St. Charles, Kane and DuPage Counties, 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 St. Charles
Kane and DuPage Counties, Illinois

ATTEST:

City Clerk, City of St. Charles
Kane and DuPage Counties, Illinois

[SEAL]

[FORM OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the [Taxable] General Obligation [Corporate Purpose] [Refunding] Bonds, Series 2012[Letter Designation], having a Dated Date of _____, 2012, of the City of St. Charles, Kane and DuPage Counties, Illinois.

AMALGAMATED BANK OF CHICAGO
Chicago, Illinois
as Bond Registrar

Date of Authentication: _____, _____

By _____
Authorized Officer

[FORM OF BONDS - REVERSE SIDE]

This bond and each bond of the series of which it forms a part (the "*Bonds*") are issued pursuant to the Illinois Municipal Code, as supplemented and amended[, including specifically therein the TIF Act], and also the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970; and in the event of conflict between the provisions of the code and home rule powers, the home rule powers shall be deemed to supersede the provisions of the code (collectively, the "*Act*"). The Bonds are being issued to pay the costs of [a public capital infrastructure improvement project in and for the City][refunding certain Outstanding _____ Bonds, Series 200 __, of the City][which were heretofore issued by the City to refund certain bonds issued to pay a portion of the costs associated with a redevelopment project (the "*Refunding*") in and for the City of St. Charles, Illinois, Tax Increment Redevelopment Project Area heretofore established by 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 the 4th day of September, 2012 (as supplemented by the Bond Order of the Bonds executed in connection therewith, the "*Bond Ordinance*"), which has been duly approved by the Mayor, and published, in all respects as by law required, 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 [(A)] 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 “2012__ Ad Valorem Property Taxes”)[and (B) ratably and equally with any Outstanding Series 2005B Bonds, (i) the Incremental Hotel Taxes (as hereinafter defined), (ii) the Incremental Sales Taxes (as hereinafter defined), (iii) the Incremental Property Taxes (as hereinafter defined), and (iv) the amounts on deposit in and to the credit of the various funds and accounts of the Special Tax Allocation Fund, including, specifically certain payments to be made to the City under a Loan Agreement by and between the City and Developer (the “Developer Payments”).] [Under the Bond Ordinance, the 2012__ Ad Valorem Taxes and any interest earnings thereon constitute, collectively, the “Bond Moneys.” For the prompt payment of this Bond, both principal and interest as aforesaid, at Stated Maturity or as called for redemption, the Bond Moneys including the full faith and credit of the City, are hereby irrevocably pledged.][Under the Bond Ordinance, “Incremental Hotel Taxes” constitute the increase, if any, in collections of certain taxes levied by the City on the use of a hotel or motel room or similar facility in the Project Area over such collections in the calendar year 1996; the “Incremental Sales Taxes” constitute the increase, if any, in distributions to the City by the State of Illinois of certain “Sales Taxes” (as defined in the Bond Ordinance) levied in the Project Area over and above such distributions, if any, in the calendar year 1996, and the “Incremental Property 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 equalized assessed valuation of each such piece of property as most recently equalized or assessed by the Department of Revenue of the State of Illinois for State and County taxes for the year 1996. The 2012C Ad Valorem Property Taxes, the Incremental Hotel Taxes, the Incremental Sales Taxes

and the Incremental Property Taxes constitute, collectively, the “*2012C Pledged Taxes.*” The 2012C Pledged Taxes and the Developer Payments constitute, collectively, the “*2012C Pledged Moneys.*” Additional Bonds may be hereafter issued pursuant to the terms of the Bond Ordinance. No Additional Bonds are or shall be secured by the 2012C Ad Valorem Property Taxes, which taxes are levied for and secure solely and only the Series 2012C Bonds. For the prompt payment of this Bond, both principal and interest as aforesaid, at maturity, the 2012C Pledged Moneys, 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 collection of the Ad Valorem Property Taxes in an amount sufficient to pay the principal of and interest on the Bonds, and further, that the City will properly account for the Bond Moneys and will comply with all of the covenants and maintain the funds and accounts as provided by the Bond Ordinance.

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

The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof

and interest due hereon and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

[THIS BOND IS A "QUALIFIED TAX-EXEMPT OBLIGATION" PURSUANT TO SECTION 265(B)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.]

[UNDER VARIOUS SUBSECTIONS OF SECTION 141 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, INTEREST ON THE BONDS IS INCLUDIBLE IN THE GROSS INCOME OF THE OWNERS THEREOF FOR FEDERAL INCOME TAX PURPOSES. BONDHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS.]

[FORM OF ASSIGNMENT]

ASSIGNMENT

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

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

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

Dated: _____

Signature guaranteed: _____

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

Section 10. Security for the Bonds. A. SERIES 2012A BONDS AND SERIES 2012B BONDS. The Series 2012A Bonds and the Series 2012B Bonds are general obligations of the City, for which the full faith and credit of the City are irrevocably pledged, and are payable from the levy of the Ad Valorem Property Taxes for each respective Series of Bonds on all of the taxable property in the City, without limitation as to rate or amount.

B. SERIES 2012C BONDS. The City hereby pledges, ratably and equally with any Outstanding Series 2005B Bonds, the Incremental Hotel Taxes, the Incremental Sales Taxes, and the Incremental Property Taxes, together with the amounts on deposit in the various funds and accounts of the Special Tax Allocation Fund as hereinafter provided, to the payment of the Series 2012C Bonds. The Series 2012C Bonds are further secured by the levy of the Ad Valorem Property Taxes for the Series 2012C Bonds on all of the taxable property in the City, without limitation as to rate or amount.

Section 11. Tax Levy; Abatements. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, 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 for each Series of Bonds sufficient for that purpose; and *there is hereby levied upon all of the taxable property within the City, in the years for which any of the Bonds are Outstanding, a direct annual tax (the "2012__ AD VALOREM PROPERTY TAXES") as shall be fully set forth in the respective Bond Orders for the Bonds.* Ad Valorem Property Taxes and other moneys on deposit in each Bond Fund from time to time ("*Bond Moneys*" as herein defined) shall be applied to pay principal of and interest on said Series of Bonds. Interest on or principal of the Bonds coming due at any time when there are insufficient Bond Moneys to pay the same shall be paid promptly when due from current funds on hand in advance of the deposit of the Ad Valorem Property Taxes; and

when the Ad Valorem Property Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. The City covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain Outstanding the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the Ad Valorem Property Taxes. The City and its officers will comply with all present and future applicable laws in order to assure that the Ad Valorem Property Taxes may lawfully be levied, extended, and collected as provided herein.

In the event that funds from any other lawful source are made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the taxes levied herein for the payment of same, the Corporate Authorities shall, by proper proceedings, direct the transfer of such funds to the Bond Fund and the abatement of the taxes by the amount to be so deposited. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerks in a timely manner to effect such abatement.

Not earlier than the first day of each Bond Year, and in any event on or before the last date that the County Clerks will accept the filing of an ordinance levying a tax for the payment of principal of and interest on general obligation bonds, the City shall conduct an accounting (an "Accounting") to determine (i) the amount of Incremental Property Taxes on deposit in and to the credit of the Special Tax Allocation Fund, (ii) the amounts, by source, of Incremental Hotel Taxes and Incremental Sales Taxes on deposit in and to the credit of the Incremental Hotel Tax and Sales Tax Fund, (iii) the amount of any additional monies, including, specifically, the Developer Payments, which have been transferred to the Special Tax Allocation Fund or otherwise made available by proper proceedings of the Corporate Authorities, and (iv) the investment earnings thereon. Each Accounting shall set forth the aggregate amount of Incremental Hotel Taxes, Incremental Sales Taxes, Incremental Property Taxes, Developer

Payments and other funds which are on deposit in the Special Tax Allocation Fund or the Incremental Hotel Tax and Sales Tax Fund or are otherwise available for the purpose of paying principal of and interest on the Series 2012C Bonds (being, collectively, the "*Available Amount*"). The Corporate Authorities hereby expressly authorize and direct the City Treasurer, without further official action, to transfer the Available Amount to the 2012C Bond Fund and to effect the abatement of the 2012C Ad Valorem Property Taxes by the Available Amount, as evidenced by such Accounting.

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

Section 13. Sale of Bonds; Bond Orders; Official Statement. A. The Designated Officers are hereby authorized to proceed, without any further official authorization or direction whatsoever from the Corporate Authorities, to sell and deliver Bonds as herein provided. The Designated Officers shall be and are hereby authorized and directed to sell the Bonds of any Series to the Purchaser at not less than the 98.0% of the par value thereof, *provided, however,* that the following conditions shall also be met:

(1) The aggregate compensation to the Purchaser, not including other costs or expenses incurred and approved by the City and paid directly upon delivery of such Series of Bonds, shall not exceed 0.8% of the public offering price of such Series Bonds.

(2) The Purchaser shall provide advice (in the form of written certificate or report) that the terms of such Series Bonds are fair and reasonable in light of current conditions in the market for Tax-exempt or Taxable (as set forth in the relevant Bond Order) obligations such as the Bonds.

(3) The net present value savings derived from any Refunding evidenced by the Series 2012B Bonds (as shown in a written certificate or report delivered by the Purchaser), shall not be less than 3.0% of the face amount of the Refunded Bonds in fact so refunded; the net present value savings derived from any Refunding evidenced by the Series 2012C Bonds (as shown in a written certificate or report delivered by the Purchaser), shall not be less than 2.75% of the face amount of the Refunded Bonds in fact so refunded; and the taxes levied for each year for the Bonds shall be not greater than the taxes levied for the corresponding Refunded Bonds in fact so refunded.

Nothing in this Section shall require the Designated Officers to sell the Bonds if in their judgment the conditions in the bond markets shall have markedly deteriorated from the time of adoption hereof, but the Designated Officers shall have the authority to sell the Bonds in any

event so long as the limitations set forth in this Ordinance shall have been met, and it is hereby further expressly provided that the Designated Officers shall have the authority to determine whether to sell the Refunding Bonds in more than one Series as hereinabove provided. Incidental to any sale of the Bonds, the Designated Officers shall find and determine that no person holding any office of the City either by election or appointment, is in any manner financially interested, either directly, in his or her own name, or indirectly, in the name of any other person, association, trust or corporation, in the agreement with the Purchaser for the purchase of the Bonds.

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

Corporate Authorities and to members of the interested public, is hereby in all respects authorized and approved. The Designated Officers are hereby authorized to execute each Bond Purchase Agreement, their execution to constitute full and complete approval of all necessary or appropriate completions and revisions as shall appear therein. Upon the sale of a Series of the Bonds, the Designated Officers so acting shall prepare the Bond Order for same, which shall include the pertinent details of sale as provided herein, and which shall enumerate the levy of taxes to pay the Bonds, and such shall in due course be entered into the records of the City and made available to the Corporate Authorities. *The authority to sell the Bonds pursuant to any Bond Order as herein provided shall expire on December 31, 2012.*

Section 14. Special Tax Allocation Fund and Accounts; Incremental Hotel Tax and Sales Tax Fund. (A) SPECIAL TAX ALLOCATION FUND. There is hereby continued the heretofore created special fund known as the 1997 City of St. Charles, Illinois, Tax Increment Redevelopment Project Area Special Tax Allocation Fund (the "*Special Tax Allocation Fund*"). All of the Incremental Property Taxes, any amounts received from the sale of property acquired or constructed and paid for from proceeds of Series 2012C Bonds, Series 2005B Bonds or any bonds refunded by the Series 2005B Bonds and any other revenues from any source whatsoever, including, specifically, Developer Payments, designated to pay principal of, interest on and premium, if any, on the Series 2012C Bonds shall be set aside as collected and be deposited in 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 Series 2012C Bonds are secured, ratably and equally with any Outstanding Series 2005B Bonds, by a pledge of all of the Incremental Property Taxes and Developer Payments on deposit in the Special Tax Allocation Fund, and such pledge is irrevocable until the Series 2012C 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 Property Taxes are to be paid to the City Treasurer by the officers who collect or receive the Incremental Property Taxes. Pursuant to Section 3.4 of the Loan Agreement, the Developer Payments are to be paid to the City Treasurer for deposit into the Special Tax Allocation Fund. Whenever the City Treasurer receives any of the Incremental Property Taxes or Developer Payments he or she shall promptly deposit same 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 City Treasurer shall first credit to and deposit into the Principal and Interest Account the Incremental Property Taxes and the Developer Payments, and, except as hereinafter provided, such moneys shall be used solely and only for the purpose of paying principal of and redemption premium, if any, and interest on the TIF Bonds as the same become due upon maturity or mandatory redemption, 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, shall be used for one or more of the following purposes, without any priority among them, *provided, however,* that Incremental Property Taxes shall be

fully expended to pay the Principal Requirement, the Interest Requirement, or TIF Project Costs prior to the expenditure of any Developer Payments for such purposes, it being the express intent of the City that Incremental Property Taxes are intended to be the primary source of financing for the Refunding and the payment of TIF Project Costs:

(i) for the purpose of paying or reimbursing the general corporate funds of the City for the payment of any TIF Project Costs; or

(ii) for the purpose of redeeming any TIF Bonds;

(iii) for the purpose of purchasing any TIF 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 TIF Bonds; or

(v) for the purpose of establishing such additional reserves as may be deemed necessary by the Corporate Authorities; or

(vi) for the purpose of distributing Incremental Property 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 TIF Project Costs whether or not secured by a pledge of the monies to the credit of the Special Tax Allocation Fund; or

(viii) for the purpose of reimbursing the general corporate funds of the City for any advances made to the Special Tax Allocation Fund, including, specifically, any advances of Incremental Hotel Taxes or Incremental Sales Taxes; or

(ix) for any other purpose related to the Redevelopment Plan pursuant to the Act.

(B) INCREMENTAL HOTEL TAX AND SALES TAX FUND

There is hereby continued a separate and segregated account within the general corporate funds of the City to be known as the “Incremental Hotel Tax and Sales Tax Fund.” Whenever

the City Treasurer receives any of the Incremental Hotel Taxes or the Incremental Sales Taxes he or she shall promptly deposit same into the Incremental Hotel Tax and Sales Tax Fund. The moneys on deposit in the Incremental Hotel Tax and Sales Tax Fund shall be used solely and only for the purpose of carrying out the terms and conditions of this Ordinance and shall be used in accordance with Section 4 of the Redevelopment Agreement. If, upon any Accounting, the City Treasurer shall determine that Incremental Property Taxes are insufficient fully to abate the 2012C Ad Valorem Property Taxes, he or she shall be authorized to transfer funds on deposit in and to the credit of the Incremental Hotel Tax and Sales Tax Fund into the 2012C Bond Fund in an amount sufficient to do so, it being the express intent of the City that Incremental Property Taxes, Developer Payments, Incremental Hotel Taxes and Incremental Sales Taxes shall be used to pay the Principal Requirement and the Interest Requirement on the Series 2012C Bonds.

(C) INVESTMENTS. The moneys on deposit in the Special Tax Allocation Fund and the various accounts therein and the Incremental Hotel Tax and Sales Tax Fund may be invested from time to time in Qualified Investments. Any such investments may be sold from time to time as moneys may be needed for the purposes for which the Special Tax Allocation Fund and such accounts and the Incremental Hotel Tax and Sales Tax Fund have been created. In addition, the City shall sell such investments when necessary to remedy any deficiency in the Special Tax Allocation Fund or such accounts created therein or the Incremental Hotel Tax and Sales Tax Fund. All other investment earnings shall be attributed to the account or Fund for which the investment was made.

Section 15. General Covenants for Series 2012C Bonds. The City covenants and agrees with the registered owners of the Series 2012C Bonds that, so long as any Series 2012C 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 Series 2012C Bonds in strict conformity with the terms of the Series 2012C 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 2012C Pledged Moneys or any part thereof, or upon any funds in the Special Tax Allocation Fund or the Incremental Hotel Tax and Sales Tax Fund, or which might impair the security of the Series 2012C 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 project undertaken pursuant to the Redevelopment Plan and to the 2012C Pledged Moneys. 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 principal amount of Series 2012C 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 Series 2012C Bonds are Outstanding

complete audited financial statements with respect to the preceding fiscal year showing the 2012C Pledged Moneys received, all disbursements from the funds and accounts continued or created by this Ordinance and the financial condition of the project undertaken pursuant to the Redevelopment Plan, including the balances in all funds and accounts relating to the Bonds and the project undertaken pursuant to the Redevelopment Plan as of the end of such fiscal year. The City will furnish a copy of such statements to any Series 2012C Bondholder upon request.

(d) The City will preserve and protect the security of the project undertaken pursuant to the Redevelopment Plan 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 Series 2012C Bonds by the City, the Series 2012C Bonds shall be incontestable by the City.

(e) The City will continue to implement the redevelopment project heretofore approved for the Project Area with all practicable dispatch in accord with its stated objectives and purposes in conformity with the Redevelopment Plan and the Act.

(f) 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 Series 2012C Bonds of the rights and benefits provided in this Ordinance.

(g) As long as any Series 2012C Bonds are Outstanding, the City will continue to deposit the Incremental Property Taxes into the Special Tax Allocation Fund and will continue to deposit the Incremental Hotel Taxes and the Incremental Sales Taxes to the Incremental Hotel Tax and Sales Tax Fund. The City covenants and agrees with the

purchaser of the Series 2012C Bonds and with the registered owners thereof that so long as any Series 2012C 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 Property Taxes, the Incremental Hotel Taxes, or the Incremental Sales 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 or the Incremental Hotel Tax and Sales Tax Fund, as the case may be.

(h) The City will timely make all filings, convene all such meetings, and provide all such information relating to the Refunding, the Project Area, and the Redevelopment Plan as shall now or hereafter be required by law.

Section 16. Continuing Disclosure Undertaking. Any Designated Officer is hereby authorized, empowered, and directed to execute and deliver the Continuing Disclosure Undertaking in substantially the same form as provided by Bond Counsel and approved by the City Attorney, or with such changes therein as the officer executing the Continuing Disclosure Undertaking on behalf of the City shall approve, his or her execution thereof to constitute conclusive evidence of his or her approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees, and agents of the City, and the officers, employees, and agents of the City are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any

Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

Section 17. Creation of Funds and Appropriations and Approval of Escrow Agreement.

A. BOND FUND. There is hereby created a "*Series 2012[Series Designation] Bonds Sinking Fund Account*" for each Series of the Bonds (each the "*[Series Designation]Bond Fund*" for said Series), which shall be the fund for the payment of principal of and interest on the relevant Series of the Bonds. Accrued interest received upon delivery of the Bonds, if any, shall be deposited into the relevant Bond Fund and be applied to pay first interest coming due on said Series of Bonds. In addition, if so provided in a Bond Order for a relevant Series of Bonds, at the time of delivery of such Series of Bonds, the Treasurer shall advance (the "*Temporary Advance*") from funds of the City on hand and lawfully available for the purpose and not derived from any borrowing, the amount, if any, of the interest on and principal of the Bonds as due up to and including December 1, 2012 (if any), *less* the amount available to pay such interest and principal to be derived from the remaining 2011 tax levy for the Refunded Bonds, if any, refunded by said Series of Bonds. Any Temporary Advance shall be repaid to the fund from which the advance shall have been made from the 2012 tax levy for the Bonds when received and available for such purpose.

The Ad Valorem Property Taxes shall either be deposited into the relevant Bond Fund and used solely and only for paying the principal of and interest on the Bonds or be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on the Bonds prior to receipt of Ad Valorem Property Taxes. Interest income or investment profit earned in each Bond Fund shall be retained in said Bond Fund for payment of the principal of or interest on the relevant Series of Bonds on the interest payment date next after such interest or profit is received or, to the extent lawful and as determined by the

Corporate Authorities, transferred to such other fund as may be determined. The City hereby pledges, as equal and ratable security for the Bonds, all present and future proceeds of the Ad Valorem Property Taxes for the sole benefit of the registered owners of the Bonds, subject to the reserved right of the Corporate Authorities to transfer certain interest income or investment profit earned in each Bond Fund to other funds of the City, as described in the preceding sentence.

The 2012C Bond Fund shall be the fund to receive Incremental Property Taxes and Developer Payments, if any, transferred from the Principal and Interest Account, and Incremental Hotel Taxes and Incremental Sales Taxes, if any, transferred from the Incremental Hotel Tax and Sale Tax Fund for payment of the Principal Requirement and the Interest Requirement on the Series 2012C Bonds.

B. EXPENSE FUND. The amount necessary from the proceeds of the Bonds, together with such money in the bond fund for the Refunded Bonds as may be advisable for the purpose, shall be used to pay expenses of issuance of the Bonds and shall be disbursed directly upon the delivery of the Bonds or shall be deposited into a separate fund for each Series, each hereby created, designated the “[*Series Designation*]Expense Fund” to be held by the City and used to pay expenses of issuing the respective Series of Bonds. Disbursements shall be made by Purchaser at the direction of the Treasurer upon the delivery of any Series of Bonds or by the Treasurer from time to time from such fund as necessary with no further official action of the Corporate Authorities, and any funds remaining on deposit in and to the credit of each Expense Fund on the date which is six months after delivery of the Bonds shall be transferred to the corresponding Bond Fund and used to pay interest next coming due on the Bonds.

C. PROJECT FUND. The City hereby creates a separate and segregated fund held by the City to be known as the “2012A Capital Project Fund” (the “Project Fund”). The amount of the principal proceeds of the Series 2012A Bonds as set forth in a relevant Bond Order shall be

set aside into the Project Fund. The Treasurer is hereby authorized to disburse monies from the Project Fund for payment of costs of the 2012A Capital Project in accordance with normal City disbursement procedures with no further official action of the Corporate Authorities.

Without further official action of or direction by the Corporate Authorities, if necessary to ensure the timely payment of principal of and interest on the Bonds, monies on deposit in the Project Fund may be transferred by the Treasurer at any time to the 2012A Bond Fund in anticipation of the collection of the Ad Valorem Property Taxes. Any amount so transferred shall be promptly repaid upon the collection of the Ad Valorem Property Taxes.

D. ESCROW AGREEMENT. The amount necessary from the proceeds of the Refunding Bonds shall be used to provide for the refunding of the respective Refunded Bonds pursuant to the provisions of an Escrow Agreement, all in accordance with the provisions of such Escrow Agreement, in substantially the same form as provided by Bond Counsel and approved by the City Attorney, made a part hereof by this reference, and hereby approved. The Purchaser, the Escrow Agent and Bond Counsel, be and the same are each hereby authorized to act as agent for the City in the purchase of the Government Securities described and set forth in such Escrow Agreement. Any amounts remaining from the proceeds of the Bonds after accomplishing the Refunding shall be set aside in the Bond Fund for the corresponding Series of Refunding Bonds, applied to pay next interest on the Bonds, and taxes abated accordingly.

E. ALTERNATE FUNDS. Alternatively to the creation of any Bond Fund, the Project Fund or any Expense Fund, the Treasurer may allocate Bond Moneys or the proceeds of the Bonds for expenses to one or more related funds of the City already in existence and in accordance with good accounting practice; *provided, however*, that this shall not relieve the City or the Treasurer of the duty to account and invest for the Bond Moneys and the proceeds of the Bonds as herein provided, as if such funds had in fact been created.

Section 18. Additional Bonds. Additional Bonds may be issued without limit.

Section 19. General Tax Covenants. The City hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Tax-exempt Bonds) if taking, permitting, or omitting to take such action would cause any of the Tax-exempt Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code, would otherwise cause the interest on the Tax-exempt Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Tax-exempt Bonds, under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. In furtherance of the foregoing provisions, but without limiting their generality, the City agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants, and assurances contained in certificates or agreements as may be prepared by Bond Counsel; (c) to consult with such Bond Counsel and to comply with such advice as may be given; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

Section 20. Certain Specific Tax Covenants.

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

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

(2) Not more than 5% of the amounts necessary to pay the principal of and interest on the Tax-exempt Bonds of any Series will be derived, directly or indirectly, from payments with respect to any private business use by any person other than a state or local governmental unit. Not more than 5% of the amounts necessary to pay the principal of and interest on the Prior Tax-exempt Bonds of any series has been or will be derived, directly or indirectly, from payments with respect to any private business use by any person other than a state or local governmental unit.

(3) None of the proceeds of the Tax-exempt Bonds is to be used and none of the proceeds of the Prior Tax-exempt Bonds of any series was used directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(4) Except as may be permitted by reference to the text above at paragraph A (1) of this Section, no user of the real or personal property of the City acquired, constructed, or improved with the proceeds of the Tax-exempt Bonds of any Series or of the Prior Tax-exempt Bonds of any series, other than the City or another governmental unit, will use the same on any basis other than the same basis as the general public; and except as noted, no person, other than the City or another governmental unit, will be a user of such

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

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

(1) All proceeds of the Prior Tax-exempt Bonds, except for money treated as proceeds because on deposit in the bond fund or debt service fund for the Prior Tax-exempt Bonds of any series, have been spent.

(2) Except for the Bond Funds for the Tax-exempt Bonds, the City has not created or established and will not create or establish any sinking fund reserve fund or any other similar fund to provide for the payment of the Tax-exempt Bonds. The Bond Funds for the Tax-exempt Bonds have been established and will be funded in a manner primarily to achieve a proper matching of revenues and debt service and will be depleted at least annually to an amount not in excess of 1/12th the particular annual debt service on the Tax-exempt Bonds. Money deposited into the Bond Funds for the Tax-exempt Bonds will be spent within a 13-month period beginning on the date of deposit, and investment earnings in said Bond Funds will be spent or withdrawn from the respective Bond Fund within a one-year period beginning on the date of receipt.

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

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

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

C. None of the proceeds of the Tax-exempt Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the City prior to the date hereof or expenditures for which an intent to reimburse itself was 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 2012A Project or the Refunding paid after the date hereof and prior to issuance of the Tax-exempt Bonds.

D. The City reserves the right to use or invest moneys in connection with the Tax-exempt Bonds in any manner, notwithstanding the representations and covenants relating to the Tax-exempt status of the Tax-exempt Bonds, provided it shall first have received an opinion from Bond Counsel (or, in the event Bond Counsel is unable or unwilling to provide such opinion, then with another firm having a nationally recognized expertise in matters relating to Tax-exempt obligations) to the effect that use or investment of such moneys or the changes in or use of such infrastructure as contemplated will not result in loss or impairment of the Tax-exempt status for the Tax-exempt Bonds.

Section 21. Taxes Previously Levied. The taxes previously levied to pay principal of and interest on the Refunded Bonds for the years 2012 and thereafter, to the extent such principal

and interest is provided for from the proceeds of the Bonds or otherwise as hereinabove described, shall be abated. The filing of a certificate of abatement with the County Clerks shall constitute authority and direction for the County Clerks to make such abatement. The taxes so levied for the Refunded Bonds for the years 2011 and preceding, which have been or are to be collected, and subject to use of same as may be required by the Code in assuring the Tax-exempt status of the Series 2012B Refunding Bonds, shall be applied to the payment either of the Refunded Bonds for which collected or to the payment of the respective Series of Refunding Bonds.

Section 22. Municipal Bond Insurance. In the event the payment of principal of and interest on a Series of the Bonds is insured pursuant to a municipal bond insurance policy (a "*Municipal Bond Insurance Policy*") issued by a bond insurer (a "*Bond Insurer*"), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the City and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of such Bonds, subrogation of the rights of the Bondholders to the Bond Insurer when holding such Bonds, amendment hereof, or other terms, as approved by any of the City Officers on advice of counsel, his or her approval to constitute full and complete acceptance by the City of such terms and provisions under authority of this Section.

Section 23. Rights and Duties of Bond Registrar. If requested by the Bond Registrar, any officer of the City is authorized to execute standard form of agreements between the City and the Bond Registrar with respect to the obligations and duties of the Bond Registrar under this Ordinance. In addition to the terms of such agreements and subject to modification thereby, the Bond Registrar by acceptance of duties under this Ordinance agree (a) to act as bond registrar, paying agent, authenticating agent, and transfer agent as provided herein; (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the City upon request, but otherwise to

keep such list confidential to the extent permitted by law; (c) to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer; (d) to furnish the City at least annually a certificate with respect to Bonds cancelled and/or destroyed; and (e) to furnish the City at least annually an audit confirmation of Bonds paid, Bonds Outstanding and payments made with respect to interest on the Bonds. The City covenants with respect to the Bond Registrar, and the Bond Registrar further covenants and agrees as follows:

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

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

(C) The City may remove the Bond Registrar at any time. In case at any time the Bond Registrar shall resign, shall be removed, shall become incapable of acting, or shall be adjudicated a bankrupt or insolvent, or if a receiver, liquidator, or conservator of

the Bond Registrar or of the property thereof shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or of the property or affairs thereof, the City covenants and agrees that it will thereupon appoint a successor Bond Registrar. The City shall give notice of any such appointment made by it to each registered owner of any Bond within twenty days after such appointment in any reasonable manner as the City shall select. Any Bond Registrar appointed under the provisions of this Section shall be a bank, trust company, or national banking association maintaining a corporate trust office in Illinois or New York, and having capital and surplus and undivided profits in excess of \$100,000,000. The City Clerk of the City is hereby directed to file a certified copy of this Ordinance with the Bond Registrar.

Section 24. Defeasance. Any Bond or Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums have been deposited with the Bond Registrar to pay all principal and interest due thereon, or (c) for which sufficient funds and Defeasance Obligations have been deposited with the Bond Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Ad Valorem Property Taxes and shall no longer have the benefits of any covenant for the registered owners of Outstanding Bonds as set forth herein as such relates to lien and security of the Outstanding Bonds. All covenants relative to the Tax-exempt status of the Bonds; and payment, registration, transfer, and exchange; are expressly continued for all Bonds whether Outstanding Bonds or not. For purposes of this Section, "*Defeasance Obligations*" means (a) direct and general full faith and credit obligations of the United States Treasury ("*Directs*"), (b) certificates of participation or

trust receipts in trusts comprised wholly of Directs or (c) other obligations unconditionally guaranteed as to timely payment by the United States Treasury.

Section 25. 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 26. Severability. If any section, paragraph, clause, or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this Ordinance.

Section 27. Superseder and Effective Date. All ordinances, resolutions, and orders, or parts thereof, in conflict with this Ordinance, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage, approval and publication.

ADOPTED: this 4th day of September, 2012

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED: September 4, 2012

Mayor, City of St. Charles
Kane and DuPage Counties, Illinois

Published in pamphlet form by authority of the City Council on September __, 2012.

ATTEST:

City Clerk, City of St. Charles
Kane and DuPage Counties, Illinois

EXTRACT OF MINUTES of the regular public meeting of the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, held at the City Hall, located at 2 East Main Street, in said City, at 7:00 p.m., on Tuesday, the 4th day of September, 2012.

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

Upon the roll being called, the Mayor, being physically present at such place and time, and the following Aldermen, being physically present at such place and time, answered present:

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

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

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

* * * * *

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

* * * * *

The City Council then discussed a proposed bond refunding and capital improvements for the City and considered an ordinance providing for the issuance of one or more series of General Obligation Corporate Purpose Bonds and General Obligation Refunding Bonds of the City, authorizing the execution of one or more bond orders in connection therewith, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds, providing for the pledge of certain incremental tax and other revenues to secure certain of

said General Obligation Refunding Bonds, and further providing for the execution of an escrow agreement in connection with such issuance.

Thereupon, the Mayor presented an ordinance entitled:

AN ORDINANCE providing for the issuance of one series of General Obligation Corporate Purpose Bonds and one or more series of General Obligation Refunding Bonds of the City of St. Charles, Kane and DuPage Counties, Illinois, authorizing the execution of one or more bond orders and one or more escrow agreements in connection therewith, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

(the "*Bond Ordinance*").

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

A City Council discussion of the matter followed. During the discussion, _____, gave a public recital of the nature of the matter, which included a reading of the title of the ordinance and statements (1) that the ordinance provided for the issuance of one or more series of general obligation bonds for the purpose of paying the costs of refunding certain Outstanding general obligation corporate purpose bonds, (2) that the bonds are issuable without referendum pursuant to the home rule powers of the City, (3) that the ordinance provides for the sale of the various series of bonds by certain designated officers of the City and the execution by them of one or more bond orders in connection therewith, (4) that the ordinance further provides for the levy of taxes to pay the bonds and approves an Escrow Agreement to accomplish the refunding, and (5) that the ordinance provides many details for the bonds, including tax-exempt status covenants for certain of the bonds, provisions for terms and form of the bonds, and appropriations.

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

Upon the roll being called, the following Aldermen voted AYE: _____

_____ and the following Aldermen voted NAY: _____

WHEREUPON, the Mayor declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the City Clerk to record the same in full in the records of the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois.

* * * * *

Other business was duly transacted at said meeting.

* * * * *

Upon motion duly made and carried, the meeting adjourned.

City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF KANE)

CERTIFICATION OF AGENDA, MINUTES AND ORDINANCE

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

I do further certify that the foregoing extract of minutes is a full, true, and complete transcript of that portion of the minutes of the meeting (the “Meeting”) of the Corporate Authorities held on the 4th day of September, 2012, insofar as the same relates to the adoption of an ordinance, numbered _____, entitled:

AN ORDINANCE providing for the issuance of one series of General Obligation Corporate Purpose Bonds and one or more series of General Obligation Refunding Bonds of the City of St. Charles, Kane and DuPage Counties, Illinois, authorizing the execution of one or more bond orders and one or more escrow agreements in connection therewith, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

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

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

(both such locations being at City Hall) at least 48 hours in advance of the Meeting and also not later than 5:00 p.m. on Friday, August 31, 2012; that said Agenda contained a separate specific item relating to the consideration of the Ordinance and *that a true, correct, and complete copy of said Agenda as so posted is attached to this certificate*; that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended; and the Illinois Municipal Code, as amended; and that the Corporate Authorities have complied with all of the provisions of such Act and Code and with all of the procedural rules of the Corporate Authorities in the adoption of the Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the City this 4th day of September, 2012.

[SEAL]

City Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF KANE)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

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

I do further certify that on the _____ day of September, 2012, there was published in pamphlet form, by authority of the City Council, a true, correct, and complete copy of Ordinance Number _____ of the City entitled:

AN ORDINANCE providing for the issuance of one series of General Obligation Corporate Purpose Bonds and one or more series of General Obligation Refunding Bonds of the City of St. Charles, Kane and DuPage Counties, Illinois, authorizing the execution of one or more bond orders and one or more escrow agreements in connection therewith, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

and providing for the issuance of said bonds, and that the ordinance as so published was on that date readily available for public inspection and distribution, in sufficient number so as to meet the needs of the general public, at my office as City Clerk located in the City.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the City this _____ day of September, 2012.

City Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF KANE)

CERTIFICATE OF FILING

I do hereby certify that I am the duly qualified and acting County Clerk of The County of Kane, Illinois, and as such officer I do hereby certify that on the ____ day of September, 2012, there was filed in my office a properly certified copy of Ordinance Number _____, duly adopted by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, on the 4th day of September, 2012, and entitled:

AN ORDINANCE providing for the issuance of one series of General Obligation Corporate Purpose Bonds and one or more series of General Obligation Refunding Bonds of the City of St. Charles, Kane and DuPage Counties, Illinois, authorizing the execution of one or more bond orders and one or more escrow agreements in connection therewith, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

and approved by the Mayor of said City, and that the same has been deposited in, and all as appears from, the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of The County of Kane, Illinois, this ____ day of September, 2012.

County Clerk of The County
of Kane, Illinois

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

CERTIFICATE OF FILING

I do hereby certify that I am the duly qualified and acting County Clerk of The County of DuPage, Illinois, and as such officer I do hereby certify that on the ____ day of September, 2012, there was filed in my office a properly certified copy of Ordinance Number _____, duly adopted by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, on the 4th day of September, 2012, and entitled:

AN ORDINANCE providing for the issuance of one series of General Obligation Corporate Purpose Bonds and one or more series of General Obligation Refunding Bonds of the City of St. Charles, Kane and DuPage Counties, Illinois, authorizing the execution of one or more bond orders and one or more escrow agreements in connection therewith, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

and approved by the Mayor of said City, and that the same has been deposited in, and all as appears from, the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of The County of DuPage, Illinois, this ____ day of September, 2012.

County Clerk of The County
of DuPage, Illinois

[SEAL]