

ORDINANCE NO. 09-11

SUPPLEMENTAL ORDINANCE PROVIDING FOR THE ISSUANCE OF \$10,000,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2009, OF THE COUNTY OF KENDALL, ILLINOIS

BE IT ORDAINED BY THE COUNTY BOARD OF THE COUNTY OF KENDALL, ILLINOIS, AS FOLLOWS:

Section 1. Authority and Purpose. This ordinance is adopted pursuant to the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, for the purpose of financing the expansion and renovation of the County Courthouse located at the Kendall County Government Campus in the City of Yorkville, Illinois, including building construction, site improvements, furnishings and equipment (the "Project").

Section 2. Findings and Determinations. It is found and determined that:

(A) Pursuant to an ordinance adopted by the County Board of the County on September 4, 2007, and entitled: "Ordinance Authorizing the Issuance of \$35,000,000 General Obligation Alternate Bonds of The County of Kendall, Illinois for the Purpose of Financing the Expansion and Renovation of the County Courthouse" (the "Authorizing Ordinance"), \$35,000,000 principal amount of general obligation bonds of the County are authorized to be issued as "Alternate Bonds" under the provisions of Section 15 of the Local Government Debt Reform Act for the purpose of financing costs of the Project.

(B) The Authorizing Ordinance, was published in full, together with the statutory notice required by Section 15 of the Local Government Debt Reform Act, on September 6, 2007, in the "*Kendall County Record*," a newspaper published and of general circulation in the County and no petition with respect to the Authorizing Ordinance has been filed with the County Clerk during the 30 day period following such publication.

(C) Notice of the public hearing required by the Bond Issue Notification Act, 30 Illinois Compiled Statutes 352, as a condition precedent to the sale of the bonds authorized by this ordinance was (i) published on June 26, 2008, in the "*Kendall County Record*" and (ii) was posted at least 48 hours prior to the start of the public hearing at the office of the County Board. Such public hearing was conducted before the County Board on July 15, 2008, and the final adjournment of such hearing took place on July 15, 2008.

(D) The Project is for a lawful corporate purpose and is to be undertaken by the County. The County will continue the financing of the Project by the issuance of \$10,000,000 principal amount of unlimited tax general obligation bonds of the County (the "2009 Bonds") authorized by the Authorizing Ordinance, as supplemented by this ordinance.

(E) The 2009 Bonds shall be payable from (i) the sales tax receipts derived by the County from taxes imposed under the Use Tax Act, 35 Illinois Compiled Statutes 105, the Service Use Tax Act, 35 Illinois Compiled Statutes 110, the Service Occupation Tax Act, 35 Illinois Compiled Statutes 115, and the Retailer's Occupation Tax Act, 35 Illinois Compiled Statutes 120, including the 1% share of sales tax imposed in unincorporated areas of the County and the 1/4 of 1% supplemental sales tax imposed throughout the County; (ii) the state income tax receipts deposited in the Local Government Distributive Fund of the State of Illinois that are allocated and paid to the County pursuant to the State Revenue Sharing Act; (iii) fees derived from the issuance of licenses and permits and (iv) receipts derived from the imposition of fines and forfeitures. All of the foregoing constitute a "Revenue Source" within the meaning of Section 15 of the Local Government Debt Reform Act.

(F) No bonds have been heretofore issued pursuant to the Authorizing Ordinance except for the \$4,695,000 General Obligation Bonds (Alternate Revenue Source), Series 2007A; the \$5,303,762.40 original principal amount of General Obligation Bonds (Alternate Revenue Source), Capital Appreciation, Series 2007B; and the \$10,000,000 General Obligation Bonds (Alternate Revenue Source), Series 2008 (collectively, the "Prior Bonds") of the County.

(G) The County Board hereby determines that the Revenue Source will be sufficient to provide in each year to the final maturity of the 2009 Bonds, an amount not less than 1.25 times debt service on the 2009 Bonds.

(H) Other than the General Obligation Bonds, Alternate Revenue Source Series 2002B, of the County (the "2002B Bonds") and the Prior Bonds, no other outstanding bonds, notes or obligations of the County are secured by a pledge of all, or any portion of, the Revenue Source.

(I) The determination of the sufficiency of the Revenue Source is supported by the Independent Auditor's Report regarding the financial statements of the County for the fiscal year ended November 30, 2008, which Report was prepared by Echols Mack & Associates PC, certified public accountants and by the Sufficiency Report prepared by Speer Financial, Inc., dated March 17, 2009 and filed with the County Clerk. The Independent Auditor's Report and the Sufficiency Report are hereby accepted by the County Board.

Section 3. Appropriation and Authorization of Bonds. The sum of \$9,920,000 is appropriated to meet part of the estimated cost of the Project, and to pay the costs of issuance of the 2009 Bonds. The 2009 Bonds are authorized to be issued and sold in the principal amount of \$10,000,000 for the purpose of financing said

appropriation. The Bonds are authorized, and shall be issued, as “alternate bonds” pursuant to the provisions of Section 15 of the Local Government Debt Reform Act and the Authorizing Ordinance.

The 2009 Bonds shall be issued as a single series of bonds designated as the “General Obligation Bonds (Alternate Revenue Source), Series 2009”.

Section 4. Terms of Bonds. The 2009 Bonds shall be issuable in the denomination of \$5,000 or any integral multiple thereof. Each 2009 Bond delivered upon the original issuance of the 2009 Bonds shall be dated as of April 1, 2009. Each 2009 Bond thereafter issued upon any transfer or exchange of 2009 Bonds shall be dated so that no gain or loss of interest shall result from such transfer or exchange.

The 2009 Bonds shall mature on December 15 in each year shown in the following table in the respective principal amount set forth opposite each such year and the 2009 Bonds maturing in each such year shall bear interest at the respective rate per annum set forth opposite such year:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2015	\$ 400,000	3.75%
2016	310,000	3.75
2017	480,000	3.75
2018	835,000	3.75
2019	1,215,000	3.75
2020	815,000	3.80
2021	605,000	3.90
2022	695,000	4.00
2023	1,095,000	4.10
2024	2,035,000	4.20
2025	985,000	4.25
2026	530,000	4.35

Each 2009 Bond shall bear interest from its date, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the

United States of America on December 15, 2009 and semiannually thereafter on each June 15 and December 15 at the rates per annum herein determined.

The principal of the 2009 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the corporate trust office of Amalgamated Bank of Chicago, in the City of Chicago, Illinois, which is hereby appointed as bond registrar and paying agent for the 2009 Bonds. Interest on the 2009 Bonds shall be payable on each interest payment date to the registered owners of record thereof appearing on the registration books maintained by the County for such purpose at the corporate trust office of the bond registrar, as of the close of business on the first day of the calendar month of the applicable interest payment date. Interest on the 2009 Bonds shall be paid by check or draft mailed to such registered owners at their addresses appearing on the registration books or by wire transfer pursuant to an agreement by and between the County and the registered owner.

The 2009 Bonds maturing on or after December 15, 2018 shall be subject to redemption prior to maturity at the option of the County and upon notice as herein provided, in such principal amounts and from such maturities as the County shall determine and by lot within a single maturity, on December 15, 2017 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

In the event of the redemption of less than all the 2009 Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be \$5,000 or an integral multiple thereof and the bond registrar shall assign to each 2009 Bond of such maturity a distinctive number for each \$5,000 principal amount of such 2009 Bond and shall select by lot from the numbers so assigned as many numbers as, at \$5,000 for each number, shall equal the principal amount of such 2009 Bonds to be redeemed. The

2009 Bonds to be redeemed shall be the 2009 Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each 2009 Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Notice of the redemption of 2009 Bonds shall be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of 2009 Bonds to be redeemed at their last addresses appearing on said registration books. The 2009 Bonds, or portions thereof specified in said notice, shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the 2009 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such 2009 Bonds or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a 2009 Bond, the County shall execute and the bond registrar shall authenticate and deliver, upon the surrender of such 2009 Bond, without charge to the owner thereof, for the unredeemed balance of the 2009 Bond so surrendered, 2009 Bonds of like maturity and of the denomination of \$5,000 or any integral multiple thereof.

The bond registrar shall not be required to transfer or exchange any 2009 Bond after notice of the redemption of all or a portion thereof has been mailed. The bond registrar shall not be required to transfer or exchange any 2009 Bond during a period of

15 days next preceding the mailing of a notice of redemption which could designate for redemption all or a portion of such 2009 Bond.

Section 5. Sale and Delivery. The 2009 Bonds are sold to FTN Financial, as purchaser, at a price of \$9,920,000 and accrued interest from their date to the date of delivery and payment therefor. The Official Statement prepared with respect to the 2009 Bonds is approved and "deemed final" as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

The Chairman, the County Clerk and other officials of the County are authorized and directed to do and perform, or cause to be done or performed for or on behalf of the County each and every thing necessary for the issuance of the 2009 Bonds, including the proper execution and delivery of the 2009 Bonds and the Official Statement.

Section 6. Execution and Authentication. Each 2009 Bond shall be executed in the name of the County by the manual or authorized facsimile signature of the Chairman and the corporate seal of the County, or a facsimile thereof, shall be thereunto affixed or otherwise reproduced thereon and attested by the manual or authorized facsimile signature of its County Clerk.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any 2009 Bond shall cease to hold such office before the issuance of the 2009 Bond, such 2009 Bond shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature, or a facsimile thereof, appears on such 2009 Bond had not ceased to hold such office. Any 2009 Bond may be signed, sealed or attested on behalf of the County by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such 2009 Bond such person

may not have held such office. No recourse shall be had for the payment of any 2009 Bonds against any officer who executes the 2009 Bonds.

Each 2009 Bond shall bear thereon a certificate of authentication executed manually by the bond registrar. No 2009 Bond shall be entitled to any right or benefit under this ordinance or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the bond registrar.

Section 7. Transfer, Exchange and Registry. The 2009 Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein. Each 2009 Bond shall be transferable only upon the registration books maintained by the County for that purpose at the principal corporate trust office of the bond registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the bond registrar and duly executed by the registered owner or his duly authorized attorney. Upon the surrender for transfer of any such 2009 Bond, the County shall execute and the bond registrar shall authenticate and deliver a new 2009 Bond or Bonds registered in the name of the transferee, of the same aggregate principal amount, maturity and interest rate as the surrendered 2009 Bond. 2009 Bonds, upon surrender thereof at the principal corporate trust office of the bond registrar, with a written instrument satisfactory to the bond registrar, duly executed by the registered owner or his attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of 2009 Bonds of the same maturity and interest rate and of the denomination of \$5,000 or any integral multiple thereof.

For every such exchange or registration of transfer of 2009 Bonds, the County or the bond registrar may make a charge sufficient for the reimbursement of any tax, fee or

other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making such transfer or exchange. The provisions of the Illinois Bond Replacement Act shall govern the replacement of lost, destroyed or defaced 2009 Bonds.

The County and the bond registrar may deem and treat the person in whose name any 2009 Bond shall be registered upon the registration books as the absolute owner of such 2009 Bond, whether such 2009 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such 2009 Bond to the extent of the sum or sums so paid, and neither the County nor the bond registrar shall be affected by any notice to the contrary.

Section 8. General Obligations. The full faith and credit of the County are hereby irrevocably pledged to the punctual payment of the principal of and interest on the 2009 Bonds. The 2009 Bonds shall be direct and general obligations of the County, and the County shall be obligated to levy ad valorem taxes upon all the taxable property in the County for the payment of the 2009 Bonds and the interest thereon, without limitation as to rate or amount.

Section 9. Pledge of Revenue Source. The Revenue Source is pledged to the payment of the 2009 Bonds. The County Board, on behalf of the County, to the extent it is empowered to do so, covenants to provide for, collect and apply the Revenue Source

to the payment of the 2009 Bonds and the provision of not less than an additional .25 times the annual debt service on the 2009 Bonds.

The pledge of the entire Revenue Source herein provided for the 2009 Bonds is on a parity with the prior pledge thereof as security for the payment of the Prior Bonds.

The pledge of the (i) general sales taxes receipts from taxes imposed under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act and the Retailer's Occupation Tax Act and (ii) the state income tax receipts deposited into the Local Government Distributive Fund of the State of Illinois and allocated and paid to the County pursuant to the State Revenue Sharing Act herein provided for the payment of the 2009 Bonds is on a parity with the prior pledge thereof as security for the payment of the 2002B Bonds.

The County may issue additional bonds payable from, and secured by a pledge of and lien on, the Revenue Source, on a parity with the 2009 Bonds.

The County shall apply the Revenue Source in an amount that shall be sufficient to provide for the timely payment of the principal of and interest on the 2009 Bonds as the same shall become due and payable.

Section 10. Form of 2009 Bonds. The 2009 Bonds shall be issued as fully registered bonds and shall be in substantially the following form, the blanks to be appropriately completed when the 2009 Bonds are printed:

[Form of 2009 Bond]

No. _____

United States of America
State of Illinois
THE COUNTY OF KENDALL
GENERAL OBLIGATION BOND
(ALTERNATE REVENUE SOURCE), SERIES 2009

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
. %	December 15, 20__	April 1, 2009	_____

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT:

THE COUNTY OF KENDALL, a political subdivision of the State of Illinois, acknowledges itself indebted and for value received hereby promises to pay to the registered owner of this bond, or registered assigns, the principal amount specified above on the maturity date specified above, and to pay interest on such principal amount from the date hereof at the interest rate per annum specified above, computed on the basis of a 360 day year consisting of twelve 30 day months and payable in lawful money of the United States of America on December 15, 2009 and semiannually thereafter on June 15 and December 15 in each year until the principal amount shall have been paid, to the registered owner of record hereof as of the first day of the calendar month of such interest payment date, by wire transfer pursuant to an agreement by and between the County and the registered owner, or otherwise by check or draft mailed to the registered owner at the address of such owner appearing on the registration books maintained by the County for such purpose at the principal corporate trust office of Amalgamated Bank of Chicago, in the City of Chicago, Illinois, as bond registrar or its successor (the "Bond Registrar"). This bond, as to principal when due,

will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the principal corporate trust office of the Bond Registrar. The full faith and credit of the County are irrevocably pledged for the punctual payment of the principal of and interest on this bond according to its terms.

This bond is one of a series of bonds issued in the aggregate principal amount of \$10,000,000, which are authorized and issued under and pursuant to the Local Government Debt Reform Act and under and in accordance with an ordinance adopted by the County Board of the County on September 4, 2007 and entitled: "Ordinance Authorizing the Issuance of \$35,000,000 General Obligation Alternate Bonds of The County of Kendall, Illinois for the Purpose of Financing the Expansion and Renovation of the County Courthouse" as supplemented by an ordinance adopted by said County Board on March 17, 2009 and entitled: "Supplemental Ordinance Providing for the Issuance of \$10,000,000 General Obligation Bonds (Alternate Revenue Source), Series 2009, of The County of Kendall, Illinois" (the "Bond Ordinance").

This bond is an "alternate bond" issued pursuant to Section 15 of the Local Government Debt Reform Act and is also secured by a pledge of the sales tax receipts derived by the County from taxes imposed under the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act and the Retailer's Occupation Tax Act; the state income tax receipts deposited in the Local Government Distributive Fund of the State of Illinois that are allocated and paid to the County; fees derived from the issuance of licenses and permits; and receipts derived from the imposition of fines and forfeitures, to the extent, and in the manner, provided in the Local Government Debt Reform Act and the Bond Ordinance.

The bonds of such series maturing on or after December 15, 2018 are subject to redemption prior to maturity at the option of the County and upon notice as herein provided, in such principal amounts and from such maturities as the County shall determine and by lot within a single maturity, on December 15, 2017 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

Notice of the redemption of bonds will be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of bonds to be redeemed at their last addresses appearing on such registration books. The bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such bonds or portions thereof shall cease to accrue and become payable.

This bond is transferable only upon such registration books by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof at the principal corporate trust office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered bond or bonds, in the authorized denominations of \$5,000 or any integral multiple thereof and of the same aggregate principal amount, maturity and interest rate as this bond shall be issued to the transferee in exchange therefor. In like manner, this bond may be

exchanged for an equal aggregate principal amount of bonds of the same maturity and interest rate and of any of such authorized denominations. The County or the Bond Registrar may make a charge sufficient for the reimbursement of any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this bond. No other charge shall be made for the privilege of making such transfer or exchange. The County and the Bond Registrar may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes whatsoever.

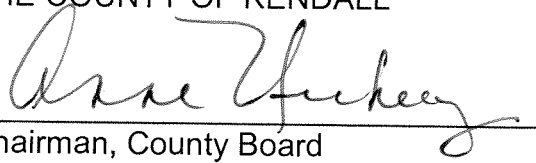
This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

It is hereby certified, recited and declared that this bond is issued in part pursuant to the Local Government Debt Reform Act, that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this bond in order to make it a legal, valid and binding obligation of the County have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of bonds of which this bond is one, together with all other indebtedness of the County, is within every debt or other limit prescribed by law.


IN WITNESS WHEREOF, The County of Kendall has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of the Chairman of its County Board, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its County Clerk.

Dated: April 1, 2009

THE COUNTY OF KENDALL


Chairman, County Board

Attest:


County Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the General Obligation Bonds (Alternate Revenue Source), Series 2009, described in the within mentioned Ordinance.

AMALGAMATED BANK OF CHICAGO,
as Bond Registrar

By _____
Authorized Signer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto _____

the within bond and hereby irrevocably constitutes and appoints _____

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

Dated _____

Signature Guarantee:

Section 11. Levy and Extension of Taxes. (A) For the purpose of providing the money required to pay the interest on the 2009 Bonds when and as the same falls due and to pay and discharge the principal thereof as the same shall mature, there is hereby levied upon all the taxable property in the County, in each year while any of the 2009 Bonds shall be outstanding, a direct annual tax (the "Pledged Taxes") sufficient for that purpose in addition to all other taxes, as follows:

<u>Tax Levy Year</u>	<u>A Tax Sufficient to Produce</u>
2009	\$ 399,147.50
2010	399,147.50
2011	399,147.50
2012	399,147.50
2013	399,147.50
2014	799,147.50
2015	694,147.50
2016	852,522.50
2017	1,189,522.50
2018	1,538,210.00
2019	1,092,647.50
2020	851,677.50
2021	918,082.50
2022	1,290,282.50
2023	2,185,387.50
2024	1,049,917.50
2025	553,055.00

(B) Interest or principal coming due at any time when there shall be insufficient funds on hand to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the taxes herein levied; and when said taxes shall have been collected, reimbursement shall be made to the said funds in the amounts thus advanced.

(C) As soon as this ordinance becomes effective, a copy thereof certified by the County Clerk, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerk, who is hereby directed to ascertain the

rate per cent required to produce the aggregate tax hereinbefore provided to be levied in the years 2009 to 2025, inclusive, and to extend the same for collection on the tax books in connection with other taxes levied in said years, in and by the County for general corporate purposes of the County, and in said years such annual Pledged Taxes shall be levied and collected in like manner as taxes for general corporate purposes for said years are levied and collected and, when collected, the moneys received by the County from the Pledged Taxes (the "Tax Receipts") shall be used for the purpose of paying the principal of and interest on the 2009 Bonds as the same become due and payable.

(D) After the issuance of the 2009 Bonds, the County shall not abate the Pledged Taxes levied pursuant to this Section or take any action to restrict the extension and collection of the Pledged Taxes except that the County may abate any such Pledged Taxes for any tax levy year to the extent that, at the time of such abatement, moneys then held in the 2009 Debt Service Fund established by this ordinance, or otherwise held in trust for the payment of debt service on the 2009 Bonds, together with the amount to be extended for collection taking into account the proposed abatement, will be sufficient to provide for the punctual payment of the principal of and interest on the 2009 Bonds otherwise payable from the Pledged Taxes levied for such tax levy year.

(E) The County covenants and agrees with the registered and beneficial owners of the 2009 Bonds that the County will take no action, or fail to take any action, which in any way would adversely affect the ability of the County to impose, collect and receive the receipts constituting the Revenue Source or, except for the abatement of tax levies as permitted by this Section, to levy and collect the Pledged Taxes.

Section 12. Debt Service Fund. The Tax Receipts are appropriated and set aside for the purpose of paying principal of and interest on the 2009 Bonds when and as the same come due. All of such moneys shall be deposited in the "2009 Debt Service Fund", which is hereby established as a special fund of the County and shall be administered as a bona fide debt service fund under the Internal Revenue Code of 1986. All accrued interest received upon the issuance of the 2009 Bonds shall be deposited in the 2009 Debt Service Fund.

On the date of issuance of the 2009 Bonds with respect to interest due December 15, 2009 and on or before December 30th of each year thereafter, the County shall deposit into the 2009 Debt Service Fund, from the Revenue Source, the amount required so that the sum held in the 2009 Debt Service Fund after such deposit shall be sufficient to provide for the punctual payment of the principal of and interest on the 2009 Bonds that will become due and payable on and prior to the 15th day of December next ensuing.

The moneys deposited or to be deposited into the 2009 Debt Service Fund, including the Revenue Source and the Tax Receipts, are pledged as security for the payment of the principal of and interest on the 2009 Bonds to the extent and in the manner provided in this ordinance. The pledge is made pursuant to Section 13 of the Local Government Debt Reform Act and shall be valid and binding from the date of issuance of the 2009 Bonds. All such Revenue Source, to the extent and in the manner provided in this ordinance, all such Tax Receipts and the moneys held in the 2009 Debt Service Fund shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as

against all parties having claims of any kind in tort, contract or otherwise against the County irrespective of whether such parties have notice thereof.

Section 13. Bond Proceeds Fund. All of the proceeds of sale of the 2009 Bonds (exclusive of the accrued interest) shall be deposited in the "2009 Bond Proceeds Fund", which is hereby established as a special fund of the County. Moneys in the 2009 Bond Proceeds Fund shall be used for the payment of costs of the Project and for the payment of costs of issuance of the 2009 Bonds, but may hereafter be reappropriated and used for other purposes if such reappropriation is permitted under Illinois law and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the 2009 Bonds.

Section 14. Investment Regulations. No investment shall be made of any moneys in the 2009 Debt Service Fund or the 2009 Bond Proceeds Fund except in accordance with the tax covenants set forth in Section 15 of this ordinance. All income derived from such investments in respect of moneys or securities in any Fund shall be credited in each case to the Fund in which such moneys or securities are held.

Any moneys in any Fund that are subject to investment yield restrictions may be invested in United States Treasury Securities, State and Local Government Series, pursuant to the regulations of the United States Treasury Department, Bureau of Public Debt, or in any tax-exempt bond that is not an "investment property" within the meaning of Section 148(b)(2) of the Internal Revenue Code of 1986. The County Treasurer and agents designated by her are hereby authorized to submit, on behalf of the County, subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

Section 15. Tax Covenants. The County shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any 2009 Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such 2009 Bond is subject on the date of original issuance thereof.

The County shall not permit any of the proceeds of the 2009 Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any 2009 Bond to constitute a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986.

The County shall not permit any of the proceeds of the 2009 Bonds or other moneys to be invested in any manner that would cause any 2009 Bond to constitute an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986 or a "hedge bond" within the meaning of Section 149(g) of the Internal Revenue Code of 1986.

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

Section 16. Bank Qualified Designation. The County hereby designates the 2009 Bonds as "qualified tax-exempt obligations" as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986. The County represents that the reasonably anticipated amount of tax-exempt obligations that are required to be taken into account for the purpose of Section 265(b)(3)(C) of the Code and will be issued by or on behalf of the County and all subordinate entities of the County during 2009 does not exceed \$30,000,000. The County covenants that it will not designate and issue more than

\$30,000,000 aggregate principal amount of tax-exempt obligations in the year in which the 2009 Bonds are issued. For purposes of the two preceding sentences, the term “tax-exempt obligations” does not include “private activity bonds” (as defined in Section 141 of the Internal Revenue Code of 1986).

Section 17. Continuing Disclosure. For the benefit of the beneficial owners of the 2009 Bonds, the County covenants and agrees to provide an annual report containing certain financial information and operating data relating to the County and to provide notices of the occurrence of certain enumerated events, if material.

The annual report shall be filed with each Nationally Recognized Municipal Securities Information Repository and with the Illinois state information depository, if any, within 210 days after the close of the County’s fiscal year. The information to be contained in the annual report shall consist of the annual audited financial statement of the County and such additional information as noted in the Official Statement with respect to the 2009 Bonds under the caption “Continuing Disclosure.” Each annual audited financial statement will conform to generally accepted accounting principles applicable to governmental units and will be prepared in accordance with standards of the Governmental Accounting Standards Board. If the audited financial statement is not available, then an unaudited financial statement shall be included in the annual report and the audited financial statement shall be filed within 30 days after it becomes available.

The County also covenants and agrees, for the benefit of the beneficial owners of the 2009 Bonds, to provide timely notice to each Nationally Recognized Municipal Securities Information Repository and to the Illinois state information depository, if any, of any failure of the County to file any such annual report within the 210 day period and

of the occurrence of any of the following events with respect to the 2009 Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the 2009 Bonds; (7) modifications to rights of bondholders; (8) 2009 Bond calls; (9) defeasances; (10) release, substitution or sale of property securing repayment of the 2009 Bonds; and (11) rating changes.

It is found and determined that the County has agreed to the undertakings contained in this Section in order to assist participating underwriters of the 2009 Bonds and brokers, dealers and municipal securities dealers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. The County Administrator is authorized and directed to do and perform, or cause to be done or performed, for or on behalf of the County, each and every thing necessary to accomplish the undertakings of the County contained in this Section for so long as said Rule 15c2-12(b)(5) is applicable to the 2009 Bonds and the County remains an "obligated person" under the Rule with respect to the 2009 Bonds.

The undertakings contained in this Section may be amended by the County upon a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the obligated person, or type of business conducted, provided that (a) the undertaking, as amended, would have complied with the requirements of Rule 15c2-12(b)(5) at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel

selected by the County, the amendment does not materially impair the interests of the beneficial owners of the 2009 Bonds.

Section 18. Bond Registrar. The County covenants that it shall at all times retain a bond registrar with respect to the 2009 Bonds, that it will maintain at the designated office of such bond registrar a place where 2009 Bonds may be presented for payment and registration of transfer or exchange and that it shall require that the bond registrar maintain proper registration books and perform the other duties and obligations imposed upon the bond registrar by this ordinance in a manner consistent with the standards, customs and practices of the municipal securities business.

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 2009 Bond, and by such execution the bond registrar shall be deemed to have certified to the County that it has all requisite power to accept, and has accepted such duties and obligations not only with respect to the 2009 Bond so authenticated but with respect to all the 2009 Bonds. The bond registrar is the agent of the County and shall not be liable in connection with the performance of its duties except for its own negligence or default. The bond registrar shall, however, be responsible for any representation in its certificate of authentication on the 2009 Bonds.

The County may remove the bond registrar at any time. In case at any time the bond registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the bond registrar, or of its property, shall be appointed, or if any public officer shall take charge or control of the bond registrar or of its property or affairs, the County covenants and agrees that it will thereupon appoint a successor bond registrar. The County shall

mail notice of any such appointment made by it to each registered owner of 2009 Bonds within twenty days after such appointment.

Section 19. Book-Entry System. In order to provide for the initial issuance of the 2009 Bonds in a form that provides for a system of book-entry only transfers, the ownership of one fully registered 2009 Bond for each maturity of the 2009 Bonds, in the aggregate principal amount of such maturity, shall be registered in the name of Cede & Co., as a nominee of The Depository Trust Company, as securities depository for the 2009 Bonds. The County Administrator is authorized to execute and deliver on behalf of the County such letters to, or agreements with, the securities depository as shall be necessary to effectuate such book-entry system.

In case at any time the securities depository shall resign or shall become incapable of acting, then the County shall appoint a successor securities depository to provide a system of book-entry only transfers for the 2009 Bonds, by written notice to the predecessor securities depository directing it to notify its participants (those persons for whom the securities depository holds securities) of the appointment of a successor securities depository.

If the system of book-entry only transfers for the 2009 Bonds is discontinued, then the County shall issue and the bond registrar shall authenticate, register and deliver to the beneficial owners of the 2009 Bonds, bond certificates in replacement of such beneficial owners' beneficial interests in the 2009 Bonds, all as shown in the records maintained by the securities depository.

Section 20. Defeasance and Payment of Bonds. (A) If the County shall pay or cause to be paid to the registered owners of the 2009 Bonds, the principal and interest due or to become due thereon, at the times and in the manner stipulated therein

and in this ordinance, then the pledge of the Revenue Source, Tax Receipts, securities and funds hereby pledged and the covenants, agreements and other obligations of the County to the registered owners and the beneficial owners of the 2009 Bonds shall be discharged and satisfied.

(B) Any 2009 Bonds, whether at or prior to the maturity or the redemption date of such 2009 Bonds, shall be deemed to have been paid within the meaning of this Section if (1) in case any such 2009 Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such 2009 Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (2) there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) "Federal Obligations" as defined in paragraph (C) of this Section, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of and interest due and to become due on said 2009 Bonds on and prior to the applicable redemption date or maturity date thereof.

(C) As used in this Section, the term "Federal Obligations" means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) of this paragraph, which are stripped pursuant to programs of the Department of the Treasury of the

United States of America, or (iv) coupons or interest installments stripped from bonds of the Resolution Funding Corporation.

Section 21. Ordinance to Constitute a Contract. The provisions of the Authorizing Ordinance and this ordinance shall constitute a contract between the County and the registered owners of the 2009 Bonds. Any pledge made in this ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the County shall be for the equal benefit, protection and security of the owners of any and all of the 2009 Bonds. All of the 2009 Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the 2009 Bonds over any other thereof except as expressly provided in or pursuant to this ordinance.

The Authorizing Ordinance and this ordinance shall constitute full authority for the issuance of the 2009 Bonds and to the extent that the provisions of the Authorizing Ordinance, as supplemented by this ordinance, conflict with the provisions of any other ordinance or resolution of the County, the provisions of the Authorizing Ordinance, as so supplemented shall control. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

Section 22. Effective Date. This ordinance shall become effective upon its adoption.

Adopted this 17th day of March, 2009, by roll call vote as follows:

Ayes: Davidson, Flowers, Hafenvichter, Martin, Parr,
Petrella, Purcell, Shaw, Vickery, Wehrli

Nays:

(SEAL)

Attest:

Melanie Gillette
County Clerk