

AUG 05 2008

ORDINANCE NO. 08-29

Rennetta S. Michelson

COUNTY CLERK
KENDALL COUNTY

SUPPLEMENTAL ORDINANCE PROVIDING FOR THE ISSUANCE OF
\$10,000,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE
SOURCE), SERIES 2008, 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 "2008 Bonds") authorized by the Authorizing Ordinance, as supplemented by this ordinance.

(E) The 2008 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 and the \$5,303,762.40 original principal amount of General Obligation Bonds (Alternate Revenue Source), Capital Appreciation, Series 2007B (collectively, the "2007 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 2008 Bonds, an amount not less than 1.25 times debt service on the 2008 Bonds.

(H) Other than the General Obligation Bonds, Alternate Revenue Source Series 2002B, of the County (the "2002B Bonds") and the 2007 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, 2007, which Report was prepared by Echols Mack & Associates PC, certified public accountants and by the Sufficiency Report prepared by Speer Financial, Inc., dated August 5, 2008 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 \$10,000,000 is appropriated to meet part of the estimated cost of the Project, and to pay the costs of issuance of the 2008 Bonds. The 2008 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 2008 Bonds shall be issued as a single series of bonds designated as the "General Obligation Bonds (Alternate Revenue Source), Series 2008".

Section 4. Terms of Bonds. The 2008 Bonds shall be issuable in the denomination of \$5,000 or any integral multiple thereof. Each 2008 Bond delivered upon the original issuance of the 2008 Bonds shall be dated as of September 1, 2008. Each 2008 Bond thereafter issued upon any transfer or exchange of 2008 Bonds shall be dated so that no gain or loss of interest shall result from such transfer or exchange.

The 2008 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 2008 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>
2009	\$ 700,000	3.75%
2010	600,000	3.75
2011	130,000	3.75
2012	510,000	3.75
2013	650,000	3.75
2014	950,000	3.75
2015	800,000	3.75
2016	450,000	3.75
2017	420,000	3.90
2019	1,130,000	4.10
2020	690,000	4.20
2021	920,000	4.25
2022	1,000,000	4.30
2023	650,000	4.35
2027	400,000	4.60

Each 2008 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 June 15, 2009 and semiannually thereafter on each June 15 and December 15 at the rates per annum herein determined.

The principal of the 2008 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 2008 Bonds. Interest on the 2008 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 2008 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 2008 Bonds maturing on or after December 15, 2017 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, 2016 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The 2008 Bonds maturing on December 15, 2019, shall be subject to mandatory redemption, in part and by lot, on December 15, 2018, in the principal amount of \$670,000, constituting a sinking fund installment for the retirement of the 2008 Bonds maturing on December 15, 2019. The final principal amount of the 2008 Bonds maturing on December 15, 2019, is \$460,000.

The 2008 Bonds maturing on December 15, 2027, shall be subject to mandatory redemption, in part and by lot, on December 15 of the years 2024 to 2026, both inclusive, in the following principal amounts, each constituting a sinking fund installment for the retirement of the 2008 Bonds maturing on December 15, 2027:

<u>Year</u>	<u>Principal Amount</u>
2024	\$100,000
2025	100,000
2026	100,000

The final principal amount of the 2008 Bonds maturing on December 15, 2027, is \$100,000.

All 2008 Bonds subject to mandatory sinking fund redemption shall be redeemed at a redemption price equal to the principal amount thereof to be redeemed. The bond registrar is hereby authorized and directed to mail notice of the mandatory sinking fund redemption of the 2008 Bonds in the manner herein provided.

Whenever 2008 Bonds subject to mandatory sinking fund redemption are redeemed at the option of the County, the principal amount thereof so redeemed shall be credited against the unsatisfied balance of future sinking fund installments or final principal amount established with respect to such 2008 Bonds, in such amounts and against such installments or final principal amount as shall be determined by the County in the proceedings authorizing such optional redemption or, in the absence of such determination, shall be credited pro-rata against the unsatisfied balance of the applicable sinking fund installments and final principal amount.

On or prior to the 60th day preceding any sinking fund installment date, the County may purchase 2008 Bonds, which are subject to mandatory redemption on such sinking fund installment date, at such prices as the County shall determine. Any 2008

Bond so purchased shall be cancelled and the principal amount thereof so purchased shall be credited against the unsatisfied balance of the next ensuing sinking fund installment of the 2008 Bonds of the same maturity as the 2008 Bond so purchased.

In the event of the redemption of less than all the 2008 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 2008 Bond of such maturity a distinctive number for each \$5,000 principal amount of such 2008 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 2008 Bonds to be redeemed. The 2008 Bonds to be redeemed shall be the 2008 Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each 2008 Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Notice of the redemption of 2008 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 2008 Bonds to be redeemed at their last addresses appearing on said registration books. The 2008 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 2008 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 2008 Bonds or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less

than all of a 2008 Bond, the County shall execute and the bond registrar shall authenticate and deliver, upon the surrender of such 2008 Bond, without charge to the owner thereof, for the unredeemed balance of the 2008 Bond so surrendered, 2008 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 2008 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 2008 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 2008 Bond.

Section 5. Sale and Delivery. The 2008 Bonds are sold to Stifel, Nicolaus & Company, Incorporated, as purchaser, at a price of \$9,994,465.40 and accrued interest from their date to the date of delivery and payment therefor. The Official Statement prepared with respect to the 2008 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 2008 Bonds, including the proper execution and delivery of the 2008 Bonds and the Official Statement.

Section 6. Execution and Authentication. Each 2008 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

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 2008 Bonds. The 2008 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 2008 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 2008 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 2008 Bonds and the provision of not less than an additional .25 times the annual debt service on the 2008 Bonds.

The pledge of the entire Revenue Source herein provided for the 2008 Bonds is on a parity with the prior pledge thereof as security for the payment of the 2007 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 2008 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 2008 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 2008 Bonds as the same shall become due and payable.

Section 10. Form of 2008 Bonds. The 2008 Bonds shall be issued as fully registered bonds and shall be in substantially the following form, the blanks to be appropriately completed when the 2008 Bonds are printed:

[Form of 2008 Bond]

No. _____

United States of America
State of Illinois
THE COUNTY OF KENDALL
GENERAL OBLIGATION BOND
(ALTERNATE REVENUE SOURCE), SERIES 2008

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
. %	December 15, 20__	September 1, 2008	_____

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 June 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 August 5, 2008 and entitled: "Supplemental Ordinance Providing for the Issuance of \$10,000,000 General Obligation Bonds (Alternate Revenue Source), Series 2008, 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, 2017 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, 2016 and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

The bonds of such series maturing in the years 2019 and 2027 (the "Term Bonds") are subject to mandatory redemption, in part and by lot, on December 15 of the years and in the respective principal amounts set forth in the following tables, by the application of sinking fund installments, at a redemption price equal to the principal amount thereof to be redeemed:

<u>2019 Term Bonds</u>		<u>2027 Term Bonds</u>	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2018	\$670,000	2024	\$100,000
		2025	100,000
		2026	100,000

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

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: September 1, 2008

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 2008, described in the within mentioned Ordinance.

**AMALGAMATED BANK OF CHICAGO,
as Bond Registrar**

By _____
Authorized Signer

Section 11. Levy and Extension of Taxes. (A) For the purpose of providing the money required to pay the interest on the 2008 Bonds when and as the same falls due and to pay and discharge the principal thereof as the same shall mature (including any mandatory sinking fund installments), there is hereby levied upon all the taxable property in the County, in each year while any of the 2008 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>
2008	\$1,215,671.56
2009	973,840.00
2010	481,340.00
2011	856,465.00
2012	977,340.00
2013	1,252,965.00
2014	1,067,340.00
2015	687,340.00
2016	640,465.00
2017	874,085.00
2018	636,615.00
2019	847,755.00
2020	1,048,775.00
2021	1,089,675.00
2022	696,675.00
2023	118,400.00
2024	113,800.00
2025	109,200.00
2026	104,600.00

(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 2008 to 2026, 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 2008 Bonds as the same become due and payable.

(D) After the issuance of the 2008 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 2008 Debt Service Fund established by this ordinance, or otherwise held in trust for the payment of debt service on the 2008 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 2008 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 2008 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 2008 Bonds when and as the same come due. All of such moneys shall be deposited in the "2008 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 2008 Bonds shall be deposited in the 2008 Debt Service Fund.

On or before December 30th of each year, the County shall deposit into the 2008 Debt Service Fund, from the Revenue Source, the amount required so that the sum held in the 2008 Debt Service Fund after such deposit shall be sufficient to provide for the punctual payment of the principal of and interest on the 2008 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 2008 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 2008 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 2008 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 2008 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

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


Adopted this 5th day of August, 2008, by roll call vote as follows:

Ayes: Davidson, Hafenrichter, Hatcher, Martin, Purcell,
Vickery and Wehrli

Nays: - 0 -

(SEAL)

Attest:


County Clerk

CERTIFICATE

I, Renetta Mickelson, County Clerk of The County of Kendall, Illinois, hereby certify that the foregoing ordinance entitled: "Supplemental Ordinance Providing for the Issuance of \$10,000,000 General Obligation Bonds (Alternate Revenue Source), Series 2008, of The County of Kendall, Illinois," is a true copy of an original ordinance that was duly adopted by the recorded affirmative votes of a majority of the members of the County Board at a meeting thereof that was duly called and held at 6:00 p.m. on August 5, 2008, at the County Board Room, in the County Office Building, 111 West Fox Street, in Yorkville, Illinois, and at which a quorum was present and acting throughout, and that said copy has been compared by me with the original ordinance recorded in the records of the County and that it is a correct transcript thereof and of the whole of said ordinance, and that said ordinance has not been altered, amended, repealed or revoked, but is in full force and effect.

I further certify that the agenda for said meeting included the ordinance as a matter to be considered at the meeting and that said agenda was posted at least 48 hours in advance of the holding of the meeting in the manner required by the Open Meetings Act, 5 Illinois Compiled Statutes 120.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the County, this 5th day of August, 2008.

(SEAL)


County Clerk