KANE COUNTY

COUNTY BOARD
SPECIAL MEETING

WEDNESDAY, NOVEMBER 16, 2016

County Board Room	Agenda	8:30 AM

Kane County Government Center, 719 S. Batavia Ave., Bldg. A, Geneva, IL 60134

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **COUNTY BOARD ORDINANCES/RESOLUTIONS:**

#16 - 385	Providing for the issue of not to exceed $55,500,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2016, of the County of Kane, Illinois, for the purpose of funding all or a portion of the unfunded Illinois Municipal Retirement Fund (IMRF) of said County, including prepayment of, and providing a budget stabilization fund for, such liability, the pledge of certain revenues to the payment of principal and interest on said bonds and the levy of a direct annual tax sufficient to pay such principal and interest if the pledged revenues are insufficient to make such payment and the sale of said bonds to Robert W. Baird & Co. Incorporated

4. **ADJOURNMENT TO TUESDAY, DECEMBER 13, 2016**

RESOLUTION/ORDINANCE EXECUTIVE SUMMARY

Ordinance No. 16 - 385

Providing for the issue of not to exceed $55,500,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2016, of the County of Kane, Illinois, for the purpose of funding all or a portion of the unfunded Illinois Municipal Retirement Fund (IMRF) of said County, including prepayment of, and providing a budget stabilization fund for, such liability, the pledge of certain revenues to the payment of principal and interest on said bonds and the levy of a direct annual tax sufficient to pay such principal and interest if the pledged revenues are insufficient to make such payment and the sale of said bonds to Robert W. Baird & Co. Incorporated

Committee Flow: Finance and Budget Committee, Executive Committee, County Board
Contact: Joseph Onzick, 630.208.5113

Budget Information:

Was this item budgeted? N/A	Appropriation Amount:
If not budgeted, explain funding source:	

Summary:

This ordinance authorizes the issuance of bonds to prepay the net pension obligation at IMRF and specifies the parameters governing this bond issue.

STATE OF ILLINOIS

COUNTY OF KANE

ORDINANCE NO. 16 - 385

PROVIDING FOR THE ISSUE OF NOT TO EXCEED $55,500,000 TAXABLE GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2016, OF THE COUNTY OF KANE, ILLINOIS, FOR THE PURPOSE OF FUNDING ALL OR A PORTION OF THE UNFUNDED ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) OF SAID COUNTY, INCLUDING PREPAYMENT OF, AND PROVIDING A BUDGET STABILIZATION FUND FOR, SUCH LIABILITY, THE PLEDGE OF CERTAIN REVENUES TO THE PAYMENT OF PRINCIPAL AND INTEREST ON SAID BONDS AND THE LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY SUCH PRINCIPAL AND INTEREST IF THE PLEDGED REVENUES ARE INSUFFICIENT TO MAKE SUCH PAYMENT AND THE SALE OF SAID BONDS TO ROBERT W. BAIRD & CO. INCORPORATED

WHEREAS, the County of Kane, Illinois (the "County"), is a duly organized and existing unit of local government created and existing under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Counties Code of the State of Illinois, as amended (the "Counties Code"); and

WHEREAS, the County Board of the County (the "Board") has determined that it is necessary and desirable to pay all or a portion of the County's unfunded Illinois Municipal Retirement Fund (IMRF) liability (the "Liability"), including prepayment of, and providing a budget stabilization fund for, the Liability; and

WHEREAS, the payment of the Liability constitutes a lawful corporate purpose within the meaning of the Local Government Debt Reform Act of the State of Illinois, as amended (the "Act"); and

WHEREAS, in order to pay all or a portion of the Liability, the Board has further determined and does hereby determine that it is necessary and desirable to (i) prepay the net pension liability of the County's IMRF Regular Plan (the "Regular Plan Net Pension Liability"), (ii) prepay the net pension liability of the County's IMRF SLEP Plan (the "SLEP Plan Net Pension Liability") and (iii) fund a budget stabilization fund (the "Budget Stabilization Fund") in an amount not to exceed $1,000,000; and

WHEREAS, the Board has further determined and does hereby determine that the estimated Regular Plan Net Pension Liability, measured in accordance with the provisions of Statement No. 68 of the Governmental Accounting Standards Board ("GASB 68") and based on the Kane County Regular GASB Statement No. 68 Employer Reporting Accounting Schedules December 31, 2015, of Gabriel Roeder Smith & Company, is not greater than $27,498,305; and

WHEREAS, the Board has further determined and does hereby determine that the estimated SLEP Plan Net Pension Liability, measured in accordance with the provisions of GASB 68 and based on the Kane County SLEP GASB Statement No. 68 Employer Reporting Accounting Schedules December 31, 2015, of Gabriel Roeder Smith & Company, is not greater than $25,819,306; and

WHEREAS, the Board has further determined and does hereby determine that the County has insufficient funds on hand and lawfully available to prepay the Regular Plan Net Pension

Liability, prepay the SLEP Plan Net Pension Liability and fund the Budget Stabilization Fund; and

WHEREAS, for the purpose of providing funds to prepay the Regular Plan Net Pension Liability, prepay the SLEP Plan Net Pension Liability and fund the Budget Stabilization Fund and in accordance with the provisions of the Act, the Board, on the 11th day of October, 2016, adopted an ordinance (the "Authorizing Ordinance") authorizing the issuance of alternate bonds, being general obligation bonds payable from (a) taxes levied upon all taxable property in the County for IMRF purposes, to the fullest extent permitted by law, including Section 7 of the Pension Code of the State of Illinois, as amended (the "Pledged Revenues"), and (b) ad valorem taxes levied against all of the taxable property in the County without limitation as to rate or amount (the "Pledged Taxes"), as provided by the Act, to the amount of $55,500,000 (the "Bonds"); and

WHEREAS, the Board hereby determines that the Pledged Revenues will provide in each year an amount not less than 1.25 times debt service of the Bonds, the same being the only debt of the County payable from the Pledged Revenues; and

WHEREAS, such determination is supported by the most recent audit of the County (the "Audit"), which Audit is for a fiscal year ending not earlier than 18 months previous to the time of issuance of the Bonds, has been presented to the Board and is now on file with the County Clerk of the County (the "County Clerk"); and

WHEREAS, on the 14th day of October, 2016, the Authorizing Ordinance, together with a notice in the statutory form (the "Notice"), was published in the Daily Herald, the same being a newspaper of general circulation in the County, and an affidavit evidencing the publication of the Authorizing Ordinance and the Notice has heretofore been presented to the Board and made a part of the permanent records of the Board; and

WHEREAS, more than thirty (30) days have expired since the date of publication of the Authorizing Ordinance and the Notice, and no petition with the requisite number of valid signatures thereon has been filed with the County Clerk requesting that the question of the issuance of the Bonds be submitted to referendum; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, the Chairman of the Board, on the 11th day of October, 2016, executed an Order calling a public hearing (the "Hearing") for the 8th day of November, 2016, concerning the intent of the Board to sell the Bonds; and

WHEREAS, notice of the Hearing was given by (i) publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in the Daily Herald, and (ii) posting at least 96 hours before the Hearing a copy of said notice at the principal office of the Board; and

WHEREAS, the Hearing was held on the 8th day of November, 2016, and at the Hearing, the Board explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 8th day of November, 2016; and

WHEREAS, the Board is now authorized to issue alternate bonds to the amount of $55,500,000 in accordance with the provisions of the Act, and the Board hereby determines that it is necessary and desirable that there be issued at this time an amount not to exceed $55,500,000 of the Bonds so authorized; and

WHEREAS, the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "PTELL"), imposes certain limitations on the "aggregate extension" of certain property taxes levied by the County, but provides that the definition of "aggregate extension" contained in the PTELL does not include extensions made for any taxing district subject to the PTELL to pay interest or principal on bonds issued under Section 15 of the Act; and

WHEREAS, the County Clerk is therefore authorized to extend and collect the Pledged Taxes:

NOW, THEREFORE, BE IT ORDAINED by the County Board of The County of Kane, Illinois, as follows:

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

Section 2. Authorization. It is hereby found and determined that the Board has been authorized by law to borrow the sum of $55,500,000 upon the credit of the County and as evidence of such indebtedness to issue alternate bonds, being general obligation bonds payable from the Pledged Revenues as provided by the Act, to said amount, the proceeds of said alternate bonds to be used to pay the Liability, and it is necessary and for the best interests of the County that there be issued at this time not to exceed $55,500,000 of the bonds so authorized.

Section 3. Bond Details. There be borrowed on the credit of and for and on behalf of the County the sum of not to exceed $55,500,000 for the purpose aforesaid; and that the Bonds shall be issued to said amount and shall be designated "Taxable General Obligation Bonds (Alternate Revenue Source), Series 2016" or with such other series designation as may be appropriate and set forth in the Bond Notification (as hereinafter defined). The Bonds shall be dated such date (not prior to November 16, 2016, and not later than May 16, 2017) as set forth in the Bond Notification, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of $5,000 each or authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds shall become due and payable (subject to prior redemption as hereinafter described) on January 1 of each of the years (not later than 2044), in the amounts (not exceeding $2,900,000 per year) and bearing interest at the rates per annum (not exceeding 5.50% per annum) as set forth in the Bond Notification. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semi-annually commencing with the first interest payment date as set forth in the Bond Notification, and on January 1 and July 1 of each year thereafter to maturity.

Interest on each Bond shall be paid by check or draft of U.S. Bank, National Association, Chicago, Illinois (the *"Bond Registrar"*), payable upon presentation 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 15th day of the month next preceding the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

The Bonds shall be signed by the manual or facsimile signatures of the Chairman of the Board and attested with the manual or facsimile signature of the County Clerk and shall have impressed or imprinted thereon the corporate seal of the County, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the County and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 4. Registration of Bonds; Persons Treated as Owners. (a) *General.* The County shall cause books (the *"Bond Register"*) for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the County. The County is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the County for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the County shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the County 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 outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

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 or her 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 for any transfer or exchange of Bonds, but the County 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 Bond, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 3 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto (*"Cede"*), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns (*"DTC"*). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The Chairman of the Board, the County Clerk and the Bond Registrar are each authorized to execute and deliver, on behalf of the County, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the *"Representation Letter"*), which

Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the County and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a *"DTC Participant"*) or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the County and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, or (iii) the payment to any DTC 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 the principal of or interest on the Bonds. The County and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the County to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 3 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month of the applicable interest payment date, the name “Cede” in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the County determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the County, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the County determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the County shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the County may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the County, or such depository’s agent or designee, and if the County does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 4(a) hereof.

Notwithstanding any other provisions of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the name provided in the Representation Letter.

Section 5. Redemption. (a) *Optional Redemption*. The Bonds due on and after the date set forth in the Bond Notification shall be subject to redemption prior to maturity at the option of the County from any available funds, as a whole or in part, and if in part in integral multiples of

$5,000 in any order of their maturity as determined by the County (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on the date or dates specified in the Bond Notification (but not later than 10-1/2 years after the date of issuance) at the redemption price of par plus accrued interest to the redemption date.

(b) *Mandatory Redemption*. The Bonds maturing on the date or dates, if any, indicated in the Bond Notification shall be subject to mandatory redemption, in integral multiples of $5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on January 1 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Notification.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the County may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Board shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

(c) *General*. The Bonds shall be redeemed only in the principal amount of $5,000 and integral multiples thereof. The County shall, at least forty-five (45) days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any $5,000 Bond or $5,000 portion of a Bond shall be as likely to be called for redemption as any other such $5,000 Bond or $5,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the County 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.

Section 6. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the County by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the 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 notices of redemption shall state:

(1) the redemption date,

(2) the redemption price,

(3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) 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,

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and

(6) such other information then required by custom, practice or industry standard.

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 County, 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 County shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the County shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County 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. Installments of interest on the Bonds due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal amount thereof.

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

Section 7. *Form of Bond.* The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs [6] and thereafter, as appropriate, shall be inserted immediately after paragraph [1]:

[Form of Bond - Front Side]

REGISTERED	REGISTERED
NO. ______	$_________

UNITED STATES OF AMERICA

STATE OF ILLINOIS

THE COUNTY OF KANE

TAXABLE GENERAL OBLIGATION BOND (ALTERNATE REVENUE SOURCE), SERIES 2016

See Reverse Side for
Additional Provisions

Interest Rate: ____%	Maturity Date: January 1, 20__	Dated Date: ___________, 20__	CUSIP: _________

Registered Owner: CEDE & CO.

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that The County of Kane, Illinois (the *"County"*), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on January 1 and July 1 of each year, commencing _________ 1, 20__, until said Principal Amount is paid. The principal of this Bond is payable in lawful money of

the United States of America at the principal corporate trust office of U.S. Bank, National Association, Chicago, Illinois, as bond registrar and paying agent (the *"Bond Registrar"*). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the County maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding each interest payment date and 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. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the County are hereby irrevocably pledged.

[2] 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.

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the County, including the issue of bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of the Pledged Revenues and the Pledged Taxes to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

[4] 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.

[5] IN WITNESS WHEREOF, The County of Kane, Illinois, by its County Board, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its Chairman of the County Board and attested by the manual or duly authorized facsimile signature of its County Clerk and its corporate seal impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

SPECIMEN
Chairman of the County Board

Attest:

SPECIMEN
County Clerk

Date of Authentication: ____________, 2016

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the Taxable General Obligation Bonds (Alternate Revenue Source), Series 2016, of The County of Kane, Illinois.

U.S. BANK, NATIONAL ASSOCIATION,
as Bond Registrar

By MANUAL
Authorized Officer

Bond Registrar and Paying Agent: U.S. Bank, National Association Chicago, Illinois

[FORM OF BOND - REVERSE SIDE]

THE COUNTY OF KANE, ILLINOIS

TAXABLE GENERAL OBLIGATION BOND (ALTERNATE REVENUE SOURCE), SERIES 2016

[6] This Bond is one of a series of bonds issued by the County to pay all or a portion of the County's unfunded Illinois Municipal Retirement Fund (IMRF) liability (the *"Liability"*), including prepayment of, and providing a budget stabilization fund for, the Liability, in full compliance with the provisions of the Counties Code of the State of Illinois (the *"Code"*), and the Local Government Debt Reform Act of the State of Illinois (the *"Act"*), and all laws amendatory thereof and supplementary thereto, and is authorized by an ordinance adopted by the County Board of the County (the *"Board"*) on the 11th day of October, 2016, and by an ordinance adopted by the Board on the 16th day of November, 2016 (the *"Bond Ordinance"*), in all respects as provided by law.

[7] [Bonds of the series of which this Bond is one due on and after January 1, 20__, shall be subject to redemption prior to maturity at the option of the County as a whole or in part in integral multiples of $5,000 (less than all the Bonds to be selected by lot by the Bond Registrar), on January 1, 20__, and any date thereafter, at the redemption price of par plus accrued interest to the redemption date.]

[8] [Mandatory redemption provisions, if any, will be inserted here.]

[9] Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the County maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

[10] Bonds of the series of which this Bond is one are payable from (a) taxes levied

upon all taxable property in the County for Illinois Municipal Retirement Fund purposes, to the fullest extent permitted by law, including Section 7 of the Pension Code of the State of Illinois, as amended (the *"Pledged Revenues"*), and (b) ad valorem taxes levied against all of the taxable property in the County without limitation as to rate or amount (the *"Pledged Taxes"*), all in accordance with the provisions of the Act and the Code.

[11] This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[12] The Bonds are issued in fully registered form in the denomination of $5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the Bond Ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date[, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds].

[13] The County 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 County nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

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

____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint ______________________

____,

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 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 8. Sale of Bonds. The Chairman of the Board and the Executive Director of Finance of the County (the *"Designated Representatives"*) are hereby authorized to proceed not later than the reorganizational meeting of the Board following the November 8, 2016 general election (if changes in Board membership occur) or the 16th day of May, 2017 (if no changes in Board membership occur), without any further authorization or direction from the Board, to sell the Bonds upon the terms as prescribed in this Ordinance. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of the Bond Notification as may be, and thereupon be deposited with the County Treasurer, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to Robert W. Baird & Co. Incorporated, Naperville, Illinois (the *"Purchaser"*), upon receipt of the purchase price therefor, the same being a purchase price producing an underwriter's discount not in excess of $3.55 per $1,000 of production (if all Bonds are sold at the initial offering prices set forth in the Official Statement (as hereinafter defined)), plus accrued interest to date of delivery, if any; it being hereby found and determined that no person holding any office of the County, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Purchaser.

Prior to the sale of the Bonds, the Chairman of the Board or the Executive Director of Finance of the County is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure the Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Municipal Bond Insurance Policy.

Upon the sale of the Bonds, the Designated Representatives shall prepare a Notification of Sale of the Bonds, which shall include the pertinent details of sale as provided herein (the *"Bond Notification"*). In the Bond Notification, the Designated Representatives shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed 3.8%. The Bond Notification shall be entered into the records of the County and made available to the Board at the next regular meeting thereof; but such action shall be for information purposes only, and the Board shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Notification.

Upon the sale of the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Representatives, the Chairman of the Board, the County Clerk, the County Treasurer and any other officers of the County, 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 as may be necessary, including, without limitation, the contract for the sale of the Bonds between the County and the Purchaser (the *"Purchase Contract"*). Prior to the execution and delivery of the Purchase Contract, the Designated Representatives shall find and determine that no person holding any office of the County, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the *"Official Statement"*) is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Board are hereby authorized to take any action as may be required on the part of the County to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 9. Treatment of Bonds as Debt. The Bonds shall be payable from the Pledged Revenues and the Pledged Taxes and do not and shall not constitute an indebtedness of the County within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in Section 11 hereof, in which case the amount of the Bonds then outstanding shall be included in the computation of indebtedness of the County for purposes of all statutory provisions or limitations until such time as an audit of the County shall show that the Bonds have been paid from the Pledged Revenues for a complete fiscal year, in accordance with the Act.

Section 10. Bond Fund. There is hereby established a special fund of the County known as the "Pension Obligation Bond Fund" (the *"Bond Fund"*). The Bond Fund is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the County by this Ordinance. The Bonds are secured by a pledge of all of the moneys on deposit in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the County under this Ordinance are discharged.

Section 11. Alternate Revenue Source; Appropriation; Additional Obligations; Tax Levy. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, the County covenants and agrees with the purchasers and the owners of the Bonds that the County will deposit the Pledged Revenues into the Bond Fund in the manner set forth in this Section. All payments with respect to the Bonds shall be made directly from the Bond Fund. There are hereby created two accounts in the Bond Fund, designated as the "Pledged Pension Levy Account" and as the "Pledged Taxes Account." All Pledged Taxes shall be deposited to the credit of the Pledged Taxes Account. All Pledged Revenues shall be deposited to the credit of the Pledged Pension Levy Account, *provided, however,* such deposits may be suspended at such time as there will be a sufficient sum, held in cash and investments, in the Pledged Pension Levy Account to meet the principal and interest requirements for the Bonds for the next succeeding Bond Year. Pledged Revenues not needed to meet such principal and interest requirements shall be deposited to the County's "Illinois Municipal Retirement Fund" (the *"IMRF Fund"*) and used for any lawful purpose, shall no longer be deemed to be "Pledged Revenues" and no registered owner of any Bond shall have the power to compel the County to apply such Pledged Revenues to the principal of and interest on the Bonds. As used herein, *"Bond Year"* means the twelve-month period beginning January 2 of each year and ending on January 1 of the following year. Pledged Taxes on deposit to the credit of the Bond Fund shall be fully spent to pay the principal of and interest on the Bonds prior to use of any Pledged Revenues on deposit in the Bond Fund. The Pledged Revenues are hereby pledged to the payment of the Bonds and the Board covenants and agrees to provide for, budget, collect and apply the Pledged Revenues to the payment of the Bonds and the provision of not less than an additional .25 times debt service.

The County is authorized to issue from time to time additional bonds payable from the Pledged Revenues as permitted by law and such additional bonds may share ratably and equally in the Pledged Revenues with the Bonds; *provided, however,* that no such additional bonds shall be issued except in accordance with the provisions of the Act.

For the purpose of providing additional funds to pay the principal of and interest on the Bonds, there is hereby levied upon all of the taxable property within the County, in the years for which any of the Bonds are outstanding, a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the County the following direct annual taxes (the *"Pledged Taxes"*):

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2017	$2,900,000.00	for principal and interest up to and including January 1, 2019
2018	$3,100,000.00	for principal and interest
2019	$3,300,000.00	for principal and interest
2020	$3,500,000.00	for principal and interest
2021	$3,500,000.00	for principal and interest
2022	$3,500,000.00	for principal and interest
2023	$3,500,000.00	for principal and interest
2024	$3,500,000.00	for principal and interest
2025	$3,500,000.00	for principal and interest
2026	$3,500,000.00	for principal and interest
2027	$3,500,000.00	for principal and interest
2028	$3,500,000.00	for principal and interest
2029	$3,500,000.00	for principal and interest
2030	$3,500,000.00	for principal and interest
2031	$3,500,000.00	for principal and interest
2032	$3,500,000.00	for principal and interest
2033	$3,500,000.00	for principal and interest
2034	$3,500,000.00	for principal and interest
2035	$3,500,000.00	for principal and interest
2036	$3,500,000.00	for principal and interest
2037	$3,300,000.00	for principal and interest
2038	$3,300,000.00	for principal and interest
2039	$3,200,000.00	for principal and interest
2040	$3,200,000.00	for principal and interest
2041	$3,100,000.00	for principal and interest
2042	$3,100,000.00	for principal and interest

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

Other than as set forth in Section 13 hereof and in the next succeeding paragraph, the County covenants and agrees with the purchasers and the owners of the Bonds that so long as any of the Bonds remain outstanding, 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 collect the Pledged Revenues or to levy and collect the Pledged Taxes. The County and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and that the Pledged Taxes will be levied, extended and collected as provided herein and deposited in the Bond Fund.

To the extent that the taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Notification, the Chairman of the Board, the County Clerk and the County Treasurer are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in the following bond year. Proper notice of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement.

Section 12. Filing of Ordinance. Forthwith upon the passage of this Ordinance, the County Clerk is hereby directed to file a certified copy of this Ordinance in the records of the County, and it shall be the duty of the County Clerk to annually in and for each of the years 2017 to 2042, inclusive, ascertain the rate percent required to produce the aggregate Pledged Taxes hereinbefore provided to be levied in each of said years; and the County Clerk shall 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 the County Clerk shall remit the Pledged Taxes for deposit to the credit of the Pledged Taxes Account of the Bond Fund, and in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the County in like manner as taxes for general corporate purposes of the County for said years are levied and collected, and in addition to and in excess of all other taxes. The Pledged Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying principal of and interest on the Bonds.

Section 13. Abatement of Pledged Taxes. Each year, prior to the time the Pledged Taxes are extended for payment of the Bonds, the County shall direct the abatement of the Pledged Taxes for such levy year but only upon compliance with the following conditions: (1) that the County Board has levied taxes for IMRF purposes for such levy year (each such levy being an "*IMRF Levy*") and filed the same with the County Clerk; (2) that the County has received notice from the County Clerk that the tax rate for the IMRF Levy for such levy year does not exceed the County's "limiting rate" for such levy year calculated by the County Clerk in accordance with the provisions of the PTELL, as applicable; and (3) that the IMRF Levy for such levy year is not less than the amount of principal of and interest on the Bonds otherwise payable from such Pledged Taxes. Following any abatement of Pledged Taxes in accordance with the provisions of this Section, proper notification of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement. The County will not levy any Pledged Taxes for levy year 2016.

Section 14. Pledged Revenues; General Covenants. The County covenants and agrees with the holders of the Bonds that, so long as any Bonds remain outstanding:

A. The Pledged Revenues are hereby pledged to the payment of the Bonds; and the Board covenants and agrees to provide for, collect and apply the Pledged Revenues to the payment of the Bonds and the provision of not less than an additional 0.25 times debt service thereon, all in accordance with Section 15 of the Act.

B. The County will punctually pay or cause to be paid from the Bond Fund the principal of and interest on, the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof and hereof.

C. The County will pay and discharge, or cause to be paid and discharged, from the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Revenues, or any part thereof, or upon any such funds in the hands of the Bond Registrar, or which might impair the security of the Bonds. Nothing herein contained shall require the County to make any such payment so long as the County in good faith shall contest the validity of said claims.

D. The County will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the County, in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues and the Bond Fund. 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 per cent (10%) of the principal amount of the outstanding Bonds or their representatives authorized in writing.

E. The County will preserve and protect the security of the Bonds and the rights of the registered owners of the Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the County, the Bonds shall be incontestable by the County.

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

G. As long as any Bonds are outstanding, the County will continue to deposit the Pledged Revenues and, if necessary, the Pledged Taxes to the Bond Fund. The County covenants and agrees with the purchasers of the Bonds and with the registered owners thereof that so long as any Bonds remain outstanding, 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 collect the Pledged Revenues. The County and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues and, if necessary, the Pledged Taxes will be collected as provided herein and deposited into the Bond Fund.

H. Once issued, the Bonds shall be and forever remain until paid or defeased the general obligation of the County, for the payment of which its full faith and credit are pledged, and shall be payable, in addition to the Pledged Revenues, from the levy of the Pledged Taxes as provided in the Act and Section 11 hereof.

Section 15. Application of Proceeds. Accrued interest received on the delivery of the Bonds, if any, is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. The principal proceeds of the Bonds and any premium received on the delivery of the Bonds (collectively, the *"Sale Proceeds"*) are hereby appropriated to pay the costs of issuance of the Bonds in an amount (not including underwriter's discount) set forth in the Bond Notification (not to exceed $160,250), prepay the Regular Plan Net Pension Liability in an amount set forth in the Bond Notification (not to exceed $27,498,305), prepay the SLEP Plan Net Pension Liability in an amount set forth in the Bond Notification (not to exceed $25,819,306) and fund the Budget Stabilization Fund in an amount set forth in the Bond Notification (not to exceed $1,000,000). Sale Proceeds appropriated to prepay the Regular Plan Net Pension Liability and the SLEP Plan Net Pension Liability shall be paid to the IMRF on the date of delivery of the Bonds. Sale Proceeds appropriated to fund the Budget Stabilization Fund shall be deposited to a special fund of the County hereby established and designated as the "IMRF Budget Stabilization Fund." Funds to the credit of the Budget Stabilization Fund shall be used by the County to pay the Liability in accordance with the provisions of Section 16 hereof. At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the County from the proceeds of the Bonds.

Section 16. Budget Stabilization Fund. The purpose of the Budget Stabilization Fund is to mitigate the budget impact of changes in the amount of the County's payment to the IMRF caused by the actual rate of return earned on IMRF's investment of the County's pension assets (the "Actual ROI") relative to the rate of return (the "ROI) assumed by IMRF. In each year, the County will multiply the difference between the Actual ROI earned on the County's pension assets and a threshold ROI of 5.5% (the *"Threshold ROI"*) by the portion of the amount of Bonds then outstanding attributable to the net pension liability prepaid by the Bonds. The product of the calculation set forth in the previous sentence is referred to herein as an *"ROI Variance."* If the Actual ROI exceeds the Threshold ROI, such ROI Variance will constitute a *"Positive ROI Variance."* If the Threshold ROI exceeds the Actual ROI, such ROI Variance will constitute a *"Negative ROI Variance."*

Any Positive ROI Variance will reduce the unfunded actuarial accrued liability (the *"UAAL"*) and any Negative ROI Variance will increase the UAAL in an amount equal to one-fifth of such ROI

Variance in each year of a period of five years (each year's change in the UAAL being an *"ROI Related UAAL"*). The amount added to or subtracted from the UAAL in any given year (the *"Change in ROI Related UAAL"*) shall be the sum of the ROI Related UAALs related to the current year and each of the previous four years. The Change in ROI Related UAAL shall be amortized in accordance with the following schedule based on the year in which such Change in ROI Related UAAL occurs:

Year of Change in ROI Related UAAL	Time Period for Amortization
2016	25 years
2017	24 years
2018	23 years
2019	22 years
2020	21 years
2021	20 years
2022	19 years
2023	18 years
2024	17 years
2025	16 years
2026 through the year of final maturity of the Bonds	15 years

If the sum of all Changes in ROI Related UAAL being amortized in any given year (the *"Amortization Amount"*) is negative, the County may withdraw the amortization amount from the Budget Stabilization Fund to the extent such withdrawal does not cause the balance in the Budget Stabilization Fund (the *"SF Balance"*) to be less than $0. Such amounts withdrawn shall be deposited into the IMRF Fund for the purpose of defraying a portion of the increase in the County's payment to the IMRF.

If the Amortization Amount is positive, the County is required to withdraw the amount of such Amortization Amount from the IMRF Fund and deposit such amount to the Budget Stabilization Fund to the extent such deposit would not cause the SF Balance to exceed $2,000,000, *provided, however,* that the Board may authorize additional contributions to the Budget Stabilization Fund which would cause the SF Balance to exceed $2,000,000.

Amounts remaining in the Budget Stabilization Fund immediately prior to the final payment of principal and interest on the Bonds shall be transferred out of the Budget Stabilization Fund and used for the following purposes in the following order: (1) to make the final debt service payment on the Bonds, (2) to pay any remaining UAAL with respect to the County's IMRF pension plans and (3) to be deposited to the IMRF Fund.

Amounts to the credit of the Budget Stabilization Fund are not pledged to the payment of the Bonds.

Section 17. Defeasance. Bonds which have matured and Bonds for which moneys are on deposit with proper paying agents or are otherwise sufficiently available to pay all principal of and interest thereon or the provision for payment of which has been made by the County 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 principal of and interest thereon, shall cease to have any lien on or right to receive or be paid from Pledged Revenues 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 for the Bonds in the Pledged Revenues.

Section 18. Tax Status of Bonds. The County 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 if taking, permitting or omitting to take such action would cause the interest on the Bonds not to be included in the gross income of the recipients thereof for federal income tax purposes.

Section 19. Registered Form. The County agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 20. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 21. Duties of Bond Registrar. If requested by the Bond Registrar, the Chairman of the Board and the County Clerk are authorized to execute the Bond Registrar's standard form of agreement between the County and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

(a) to act as bond registrar, authenticating agent, paying 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 County upon request, but otherwise to keep such list confidential;

(c) to give notice of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(e) to furnish the County at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the County at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

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

Section 23. Continuing Disclosure Undertaking. The Chairman of the Board is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the *"Continuing Disclosure Undertaking"*). When executed and delivered on behalf of the County as herein provided, such Continuing Disclosure Undertaking will be binding on the County and the officers, employees and agents of the County, and the officers, employees and agents of the County 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 such Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedy for failure to comply with such 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 County to comply with its obligations under such Continuing Disclosure Undertaking.

Section 24. Provisions a Contract. The provisions of this Ordinance shall constitute a contract between the County and the owners of the outstanding Bonds. All covenants relating to the Bonds and the conditions and obligations imposed by Section 15 of the Act are enforceable by any holder of the Bonds affected, any taxpayer of the County and the People of the State of Illinois acting through the Attorney General or any designee.

Section 25. Severability. 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.

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Section 26. Repeal. All ordinances or parts thereof in conflict herewith be and the same are hereby repealed and this Ordinance shall be in full force and effect forthwith upon its adoption.

Passed by the Kane County Board on November 16, 2016.

John A. Cunningham Clerk, County Board Kane County, Illinois	Christopher J. Lauzen Chairman, County Board Kane County, Illinois

Vote:

16-11 PO Bond