

**COUNTY BOARD MINUTES – SPECIAL MEETING FEBRUARY 27, 2007**

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**SPECIAL COUNTY BOARD MEETING – FEBRUARY 27, 2007**

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## **COUNTY BOARD MINUTES – SPECIAL MEETING FEBRUARY 27, 2007**

The Adjourned Meeting of the Kane County Board was held at the Kane County Government Center, Geneva, IL at 5:10 p.m. on Tuesday, February 27, 2007 Vice-Chairman, Don Wolfe, John A. Cunningham, Clerk.

The meeting was opened with the Pledge of Allegiance.

Roll call as follows: PRESENT: Allan (5:13), Carlson, de la Isla, Fahy, Greviskes, Hoscheit, Hurlbut (5:15) Jones, Kenyon, Kissane, Kudlicki, Kunkel, Leonberger, Lewis (5:13), McConnaughay, Mitchell, Neuberger, Van Cleave, Wojnicki, Wyatt ABSENT: Collins, Davoust, Noverini, Shoemaker, Tredup PRESENT: 20 ABSENT: 5

### **ORDINANCE #07-68**

Motion by Wyatt, seconded by Van Cleave that Ordinance #07-68 be adopted.

**THE COUNTY OF KANE, ILLINOIS**

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**KANE COUNTY**

**ORDINANCE No. 07-68**

**ORDINANCE OF THE COUNTY OF KANE, ILLINOIS PROVIDING FOR  
THE SALE AND ISSUANCE OF \$11,345,000 GENERAL OBLIGATION  
LIMITED TAX BONDS, SERIES 2007, OF THE COUNTY OF KANE,  
ILLINOIS, AND FOR THE LEVY OF A DIRECT ANNUAL TAX  
SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON SAID  
BONDS.**

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**ADOPTED BY  
THE COUNTY BOARD  
OF  
THE COUNTY OF KANE, ILLINOIS  
THIS FEBRUARY 27, 2006**

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## ORDINANCE NO. 07-68

ORDINANCE OF THE COUNTY OF KANE, ILLINOIS PROVIDING FOR THE SALE AND ISSUANCE OF \$11,345,000 GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2007, OF THE COUNTY OF KANE, ILLINOIS, AND FOR THE LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON SAID BONDS.

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

**Section 1. Findings and Determinations.** It is found and declared by the County Board (the “County Board”) of The County of Kane, Illinois (the “County”), as follows:

(a) The County is a duly organized and existing county created under the laws of the State of Illinois, and is now operating under and pursuant to the provisions of the Counties Code of the State of Illinois, 55 ILCS 5/1-1001 *et seq.*, as amended (the “**Counties Code**”), and is a “governmental unit” within the meaning of the Local Government Debt Reform Act of the State of Illinois, 30 ILCS 350/1 *et seq.*, as amended, (the “Debt Reform Act”).

(b) The County Board has determined that it is advisable, necessary and in the best interests of the County, in order to promote and protect the public health, welfare, safety and convenience of the residents of the County, to undertake a project consisting of improvements to properties of the County, including, but not limited to, the Sheriff’s facilities, the North Campus, the Judicial Center and the Government Center, and also including in connection with those improvements all mechanical, electrical and other facilities and services necessary, useful or advisable to the program of improvements and, incidental to those project costs, bond discount, if any, interest, bond reserve requirements, if any, legal and other financing and related administrative fees and costs (the “Project”). The County is authorized by various provisions of the Counties Code to undertake the Project, and the Project will further enable the County to perform duties imposed upon it by law.

(c) The estimated costs of the Project, including all costs described above, are not less than \$11,650,000. The County Board has determined that there are not sufficient funds on hand and legally available to pay the costs of the Project and that the moneys necessary to pay the costs of the Project shall be raised from an issue of obligations of the County.

(d) Section 5-1012 of the Counties Code provides that, subject to referendum, the County may deem it necessary to issue, and upon such determination issue bonds to enable it to perform any of the duties imposed upon it by law and provides further that such bonds may be issued in accordance with the Omnibus Bond Acts, including the Debt Reform Act.

(e) Section 15.01 of the Debt Reform Act provides in part that counties are authorized to issue such bonds as limited bonds payable from the “debt service extension base,” as defined in the Property Tax Extension Limitation Law, 35 ILCS 200/18-185, and as such it is not necessary to submit the proposition of the issuance of the Series 2007 Bonds, as defined in Section 3 of this Ordinance, to the voters of the County for approval.

(f) It is necessary and in the best interest of the County to borrow the sum of \$11,345,000 in order to finance the costs of the Project. Accordingly, the County shall issue the Series 2007 Bonds as “limited bonds” as defined in Section 3 of the Debt Reform Act in the aggregate principal amount of \$11,345,000.

(g) The tax levy for debt service on the Series 2007 Bonds provided for in this Ordinance for each levy year will not upon extension thereof exceed the debt service extension base.

(h) Pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, 30 ILCS 352/1 *et seq.*, the Chairman of the County Board as presiding officer called a public hearing (the “Hearing”) for the 13<sup>th</sup> day of February, 2007, concerning the intent of the County Board to sell the Bonds.

(i) Notice of the Hearing was given by (i) publication at least once not less than seven (7) or more than thirty (30) days before the date of the Hearing in the Daily Herald, the same being a newspaper of general circulation in the County, and (ii) posting at least 48 hours before the Hearing a copy of said notice at the principal office of the County.

(j) The Hearing was held on February 13, 2007 following the publication and posting of notice, at which the County Board explained the reasons for the proposed issuance of the Series 2007 Bonds and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits.

(k) The only long-term bonded indebtedness that the County has issued (prior to the issuance of the Series 2007 Bonds) and that is now outstanding consists of the following:

- (i) General Obligation Bonds (Motor Fuel Tax Alternate Revenue Source), Series 2001 (the “Series 2001 Bonds”) in the aggregate principal amount of \$9,020,000;
- (ii) General Obligation Refunding Bonds (Alternate Revenue Source), Series 2002 (the “Series 2002 Bonds”) in the aggregate principal amount of \$6,230,000;
- (iii) General Obligation Refunding Bonds (Alternate Revenue Source), Series 2004 (the “Series 2004 Bonds”) in the aggregate principal amount of \$26,845,000; and
- (iv) Debt Certificates, Series 2005 (the “Series 2005 Certificates”) in the aggregate principal amount of \$9,470,000.
- (v) Debt Certificates, Series 2006 (the “Series 2006 Certificates”) in the aggregate principal amount of \$24,330,000.

The Series 2001 Bonds, the Series 2002 Bonds and the Series 2004 Bonds (collectively, the “Outstanding Alternate Bonds”) are alternate bonds issued under Section 15 of the Debt Reform Act. None of the conditions set forth in Section 15 of the Debt Reform Act, the

existence of which would require the outstanding principal amount of the Outstanding Alternate Bonds to be included in the computation of indebtedness of the County, exists or has occurred. Accordingly, as provided in such Section 15, the Outstanding Alternate Bonds need not be regarded as or included in any computation of indebtedness of the County for purposes of any statutory provision or limitation.

The amount of all existing long-term bonded indebtedness of the County as described above (prior to the issuance of the Series 2007 Bonds), but including the \$42,095,000 aggregate principal amount of Outstanding Alternate Bonds for illustrative purposes and including the \$9,470,000 aggregate principal amount of Series 2005 Certificates and the \$24,330,000 principal amount of Series 2006 Certificates), including all bonds, leases, installment contracts, judgments and other indebtedness, is not more than \$75,895,000.

Section 1 of the Local Government Debt Limitation Act of the State of Illinois (50 ILCS 450/1 *et seq.*, as amended, the “Local Government Debt Limitation Act”), provides generally that, no county having a population less than 500,000 may incur any indebtedness which, when added to all existing indebtedness of the county, exceeds in aggregate amount an amount equal to 2.875% of the assessed valuation of all taxable property located within the county, as ascertained by the most recent assessment for state and county purposes as equalized by the Department of Revenue.

The County has a population of 404,119, as determined by the 2000 U.S. Census.

The aggregate assessed valuation of all taxable property in the County as assessed by the County and equalized by the Department of Revenue for the year 2005, being the most recent assessment now available, is \$12,390,090,594.

Consequently, the debt limitation applicable to the County under the Local Government Debt Limitation Act equals \$356,215,104 (\$12,390,090,594 times 2.875%).

The Series 2007 Bonds will not, when added to all existing indebtedness of the County, cause the aggregate indebtedness of the County to exceed the debt limitation set forth above.

(l) The County through its financial consultant distributed copies of the Official Statement (defined below) and the Official Notice of Sale for the Series 2007 Bonds to prospective purchasers. The County received bids for the purchase of the Series 2007 Bonds at the time and place specified in such Official Notice of Sale. The bids were reviewed by representatives of the County’s financial consultant at such time and place. The names of the bidders, the purchase price specified by each bidder in its bid and the true interest cost specified in each bid are set forth in Exhibit B attached to this Ordinance.

(m) The bid submitted by Harris, N.A. (the “Purchaser”) offering to purchase the Series 2007 Bonds at a price equal to \$11,354,049 (the “Purchase Price”) plus accrued interest, if any, to the date of delivery of the Series 2007 Bonds results in the lowest true interest cost to the County. The Purchaser is a responsible bidder. It is in the best interests of the County to accept such bid and to sell the Bonds pursuant to it.



(n) No member of the County Board, no officer of the County, and no managerial or supervisory employee of the County is now or was at any time on or subsequent to January 1, 2006, either an officer, director, employee or otherwise interested, either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation in (i) the Purchaser of the Series 2007 Bonds, or any parent or subsidiary corporation of the Purchaser or any partnership which controls or is controlled by the Purchaser, or (ii) the Project or the contract or contracts for the acquisition, construction and equipping of the Project, or (iii) the Bond Registrar, the Paying Agent or the Authenticating Agent for the Series 2007 Bonds, or (iv) the contract for the purchase of the Series 2007 Bonds between the County and the Purchaser, or (v) the contract for services between the County and the Bond Registrar, the Paying Agent or the Authenticating Agent with respect to the Series 2007 Bonds.

## **Section 2. Definitions; Rules of Interpretation**

(a) In addition to terms defined elsewhere in this Ordinance, the following capitalized terms shall have the following meanings when used in this Ordinance, unless the context or use indicates otherwise:

**“Authenticating Agent”** means the Authenticating Agent appointed in Section 8, acting in the capacity of Authenticating Agent under this Ordinance, and any successor to it appointed pursuant to Section 21.

**“Bond Holder”** or **“Bondholder”** means the registered owner of a Series 2007 Bond as shown on the Bond Register.

**“Bond Register”** means the bond registration books of the County maintained by the Bond Registrar pursuant to Section 10.

**“Bond Registrar”** means the Bond Registrar appointed in Section 8, or any successors to it appointed in accordance with Section 21.

**“Chairman”** means the Chairman of the County Board.

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

**“Continuing Disclosure Undertaking”** has the meaning given that term in Section 29.

**“Counties Code”** has the meaning given that term in Section 1(a).

**“County”** means The County of Kane, Illinois.

**“County Board”** means the County Board of the County, the governing body of the County.

**“County Clerk”** means the County Clerk of the County.

**“County Finance Director”** or **“Finance Director”** means the Finance Director of the County.

**“County Treasurer”** means the County Treasurer of the County.

**“Debt Reform Act”** has the meaning given that term in Section 1(a).

**“Letter of Representations”** has the meaning given that term in Section 11.

**“Official Statement”** has the meaning given that term in Section 14(b).

**“Ordinance”** means this Ordinance No. 07-68 adopted by the County Board on February 27, 2007.

**“Paying Agent”** means the Paying Agent appointed in Section 8, or any successors to it appointed in accordance with Section 21.

**“Pledged Taxes”** means the meaning given that term in Section 15.

**“Project”** has the meaning given that term in Section 1(b).

**“Project Fund”** means the fund of that name established in Section 19(c).

**“Purchaser”** has the meaning given that term in Section 1(m).

**“Purchase Price”** has the meaning given that term in Section 1(m).

**“Series 2007 Bond Fund”** means the fund of that name created in Section 16.

**“Series 2007 Bonds”** has the meaning given that term in Section 3.

**“Series 2007 Rebate Fund”** means the fund of that name established in Section 18.

**“Tax-Exempt”** means, with respect to the Series 2007 Bonds, the status of interest paid and received on each bond as not includible in the gross income of their owners under the Code for federal income tax purposes except to the extent that such interest will be taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations and in computing the “branch profit tax” imposed on certain foreign corporations.

(b) The words “hereof,” “herein,” “hereunder” and other words of similar import refer to this Ordinance as a whole.

(c) The headings of this Ordinance are for convenience of reference only and shall not define or limit the provisions of this Ordinance.

(d) Unless otherwise specified, reference to Sections and other subdivisions of this Ordinance are to the designated Sections and other subdivisions of this Ordinance as amended from time to time.

(e) References to the masculine shall include the feminine and neuter genders and vice versa and references to the singular shall include the plural and vice versa, unless the context or use indicates otherwise.

**Section 3. Authorization of the Series 2007 Bonds.** The sum of \$11,345,000 shall be borrowed by the County to finance the costs of the Project. As evidence of such indebtedness, the County shall issue, sell and deliver its General Obligation Limited Tax Bonds, Series 2007, in the aggregate principal amount of \$11,345,000 (the "Series 2007 Bonds"). The County may incur the indebtedness represented by the Series 2007 Bonds without referendum as authorized by Section 15.01 of the Debt Reform Act.

**Section 4. Denomination, Numbers, Designation and Date of the Series 2007 Bonds.** The Series 2007 Bonds shall be issued in fully registered form without coupons in the denominations of \$5,000 and integral multiples of that sum. The Series 2007 Bonds shall be designated "General Obligation Limited Tax Bonds, Series 2007" and shall be numbered consecutively from 1 upward but need not be authenticated or delivered in consecutive order. Series 2007 Bonds delivered before December 15, 2007 shall be dated February 15, 2007. Series 2007 Bonds authenticated and delivered on or after December 15, 2007, shall be dated as of the June 15 or December 15 next preceding the date of their authentication and delivery to which interest has been paid, except Series 2007 Bonds authenticated and delivered on a June 15 or December 15 to which interest has been paid, which Series 2007 Bonds shall be dated as of that June 15 or December 15.

**Section 5. Terms of the Series 2007 Bonds.** The Series 2007 Bonds initially shall be dated February 15, 2007, and shall bear interest from their date until paid. Interest on the Series 2007 Bonds shall be payable on June 15 and December 15 in each year, with the first interest payment date being December 15, 2007. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Series 2007 Bonds shall mature on December 15th in the years and the amounts and shall bear interest at the rates per annum, all as set forth below:

<b><u>Year</u></b> <b><u>(December 15)</u></b>	<b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>
2007	\$2,165,000	3.75%
2008	\$2,170,000	3.75%
2009	\$2,250,000	3.75%
2010	\$2,335,000	3.75%
2011	\$2,425,000	3.75%

**Section 6. Redemption Provisions.** The Series 2007 Bonds are not subject to redemption prior to maturity.

## **Section 7. Execution and Authentication of Series 2007 Bonds**

(a) Execution. Each Series 2007 Bond shall be executed by the manual or facsimile signature of the Chairman and the manual or facsimile signature of the County Clerk and shall have the corporate seal of the County affixed to or impressed on it (or a facsimile of that seal printed on it). The Chairman and the County Clerk (if they have not already done so) are authorized to file with the Illinois Secretary of State their manual signatures certified by them pursuant to the Uniform Facsimile Signatures of Public Officials Act, as amended, which shall authorize the use of their facsimile signatures to execute the Series 2007 Bonds. Each Series 2007 Bond so executed shall be as effective as if manually executed. In case any officer of the County whose signature or a facsimile of whose signature appears on the Series 2007 Bonds shall cease to be such officer before authentication and delivery of any of the Series 2007 Bonds, that signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until authentication and delivery.

(b) Authentication. No Series 2007 Bond shall be valid for any purpose unless and until a certificate of authentication on that Series 2007 Bond substantially in the form set forth in the bond form attached as **Exhibit A** and incorporated in Section 13 of this Ordinance shall have been duly executed by an authorized officer of the Authenticating Agent appointed below. That certificate upon any Series 2007 Bond shall be conclusive evidence that the Series 2007 Bond has been authenticated and delivered under this Ordinance. It shall not be necessary that the same officer sign the certificate of authentication on all of the Series 2007 Bonds.

**Section 8. Appointment of Bond Registrar, Paying Agent and Authenticating Agent.** U.S. Bank National Association of Chicago, Illinois, is appointed as Bond Registrar, Paying Agent and Authenticating Agent under this Ordinance.

**Section 9. Payment of Principal and Interest.** The Series 2007 Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent. The principal of each Series 2007 Bond shall be payable at maturity upon presentment of the Series 2007 Bond at the principal office of the Paying Agent. Interest on each Series 2007 Bond shall be payable on each interest payment date by check or draft of the Paying Agent mailed to the person in whose name that Series 2007 Bond is registered on the books of the Bond Registrar at the close of business on the 15th day preceding that interest payment date.

**Section 10. Registration, Transfer and Exchange of Series 2007 Bonds.** The Series 2007 Bonds shall be negotiable, subject to the following provisions for registration and registration of transfer. The County shall maintain or cause to be maintained books for the registration of the Series 2007 Bonds at the principal office of the Bond Registrar. Each Series 2007 Bond shall be registered on those books. Transfer of each Series 2007 Bond shall be registered on those books only upon surrender of that Series 2007 Bond to the Bond Registrar by the registered owner or his or her attorney duly authorized in writing together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney. Upon surrender of a Series 2007 Bond for registration of transfer, the County shall execute and the Authenticating Agent shall authenticate and deliver, in the name of the transferee, one or more new Series 2007 Bonds of the same aggregate principal amount and of the same maturity as the Series 2007 Bonds surrendered.

Series 2007 Bonds may be exchanged, at the option of the registered owner, for an equal aggregate principal amount of Series 2007 Bonds of any other authorized denominations upon surrender of those Series 2007 Bonds at the principal corporate trust office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney.

In all cases in which the privilege of exchanging or transferring Series 2007 Bonds is exercised, the County shall execute, the Authenticating Agent shall authenticate, and the Bond Registrar shall deliver, Series 2007 Bonds in accordance with the provisions of this Ordinance. All Series 2007 Bonds surrendered in any exchange or transfer shall be canceled immediately by the Bond Registrar. The County is authorized to prepare, and if the County does so, the Bond Registrar (or such other agent as the County Board may from time to time designate) shall maintain custody of, multiple blank Series 2007 Bonds executed on behalf of the County as provided in Section 7 for use in connection with the transfer and exchange of Series 2007 Bonds.

For every exchange or registration of transfer of Series 2007 Bonds, the County or the Certificate Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the County, required to be paid with respect to that exchange or transfer, and payment of that charge by the person requesting exchange or registration of transfer shall be a condition precedent to that exchange or registration of transfer. No other charge may be made by the County or the Bond Registrar as a condition precedent to exchange or registration of transfer of any Series 2007 Bond.

The Bond Registrar shall not be required to exchange or register the transfer of any Series 2007 Bond during the period from the close of business on the 1st day of the month in which an interest payment date on the Series 2007 Bonds is scheduled to the opening of business on such interest payment date.

#### **Section 11. Book - Entry Only System for the Series 2007 Bonds**

(a) General. The Series 2007 Bonds shall be initially issued in the form of a separate single fully registered 2007 Bond for each of the maturities. Upon initial issuance, the ownership of each such Series 2007 Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of The Depository Trust Corporation (“**DTC**”), and except as otherwise provided in this Section, all of the outstanding Series 2007 Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

(b) Limitations on Obligations. With respect to Series 2007 Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the County, the Paying Agent and the Bond Registrar shall have no responsibility or obligation to any participating member of DTC (“**DTC Participant**”) or to any person on behalf of whom such a DTC Participant holds an interest in the Series 2007 Bonds. Without limiting the immediately preceding sentence, the County, the Paying Agent and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2007 Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Series 2007 Bond holder, as

shown in the Bond Register, of any notice with respect to the Series 2007 Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Series 2007 Bond holder, as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on the Series 2007 Bonds.

(c) Persons Treated as Owners under Book-Entry Only System.

Notwithstanding any other provision of this Ordinance to the contrary, the County, the Bond Registrar and each Paying Agent, if any, shall be entitled to treat and consider the person in whose name such Series 2007 Bond is registered in the Bond Register as the absolute owner of such Series 2007 Bond for the purpose of payment of principal, premium, if any, and interest on such Series 2007 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2007 Bond, for the purpose of registering transfers with respect to such Series 2007 Bond, and for all other purposes whatsoever. The Bond Registrar and each Paying Agent, if any, shall pay all principal of, premium, if any, and interest on the Series 2007 Bonds only to or upon the order of the respective Series 2007 Bond holders, as shown in the Bond Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge the County's obligations fully with respect to payment of principal of, premium, if any, and interest on the Series 2007 Bonds to the extent of the sum or sums so paid. No person other than a Series 2007 Bond holder, as shown in the Bond Register, shall receive a Series 2007 Bond evidencing the obligation of the County to make payments of principal, premium, if any, and interest pursuant to this Ordinance.

(d) Substitution of DTC Nominee. Upon delivery by DTC to the Certificate Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance, with respect to interest checks or drafts being mailed to the registered owner as of the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC; and upon receipt of such a notice the Bond Registrar shall promptly deliver a copy of the same to each Paying Agent, if any.

(e) Successor Securities Depository; Transfers Outside Book-Entry Only System. If the County or the Bond Registrar determines that DTC is incapable of discharging its responsibilities described in this Ordinance and in the Letter of Representations applicable to the Series 2007 Bonds (the "**Letter of Representations**") or that it is in the best interest of the beneficial owners of the Series 2007 Bonds that they be able to obtain certificated Series 2007 Bonds, the County or the Bond Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Series 2007 Bond certificates to such successor securities depository, or (ii) notify DTC and DTC Participants of the availability through DTC of Series 2007 Bond certificates and transfer one or more separate Series 2007 Bond certificates to DTC Participants having Series 2007 Bonds credited to their DTC accounts. In such event, the Series 2007 Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Series 2007 Bond holders

transferring or exchanging Series 2007 Bonds shall designate, in accordance with the provisions of this Ordinance.

(f) Payments and Notices to DTC Nominee. Notwithstanding any other provision of this Ordinance to the contrary, so long as any of the Series 2007 Bonds is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2007 Bond and all notices with respect to such Series 2007 Bond shall be made and given, respectively, in the manner provided in the Letter of Representations. The Bond Registrar shall request in each notice sent to Cede & Co. pursuant to the terms of this Ordinance that Cede & Co. forward or cause to be forwarded such notice to the DTC Participants, but neither the Certificate Registrar nor the County shall be liable if the Certificate Registrar fails to make such request or if Cede & Co. fails to honor such request.

(g) Letter of Representations. The Chairman or, in his or her absence, the County Clerk, the County Treasurer or the County Finance Director are each authorized to execute and deliver the Letter of Representations to DTC and the Paying Agent substantially in the form of DTC's standard form of "Letter of Representations for Book-Entry-Only Municipal Bonds."

**Section 12. Persons Treated as Owners of Series 2007 Bonds.** The County, the Paying Agent and the Bond Registrar may treat the registered owner of any Series 2007 Bond as its absolute owner, whether or not that Series 2007 Bond is overdue, for the purpose of receiving payment of the principal of or interest on that Series 2007 Bond and for all other purposes, and neither the County, the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of the principal of and interest on each Series 2007 Bond shall be made only to its registered owner, and all such payments shall be valid and effective to satisfy the obligation of the County on that Series 2007 Bond to the extent of the amount paid.

**Section 13. Form of the Series 2007 Bonds.** The Series 2007 Bonds shall be in substantially the form set forth in *Exhibit A* to this Ordinance, which Exhibit is incorporated by reference into this Section 13 and shall for all purposes be a part of this Ordinance.

**Section 14. Sale of Series 2007 Bonds; Official Statement; Ratification of Certain Actions; Authentication and Delivery of Series 2007 Bonds**

(a) The offer of the Purchaser to purchase the Series 2007 Bonds at the Purchase Price plus accrued interest, if any, from the date of the Series 2007 Bonds to the date of their delivery is accepted. The proper officers of the County are authorized to accept the bid submitted by the Purchaser and to execute and deliver the bid on behalf of the County.

(b) The Official Statement dated February 13, 2007 relating to the Series 2007 Bonds, together with all necessary supplements thereto (collectively, the "**Official Statement**"), is authorized and approved. The proper officers of the County are authorized to execute and deliver the Official Statement on behalf of the County.

(c) All actions of the County and its officers and employees relating to the offering, issuance and sale of the Series 2007 Bonds are ratified, confirmed and approved.

(d) The Series 2007 Bonds shall be executed as provided in this Ordinance and shall be delivered to the Authenticating Agent. The Authenticating Agent is authorized and directed to authenticate the Series 2007 Bonds and deliver them to the Purchaser upon receipt by the County of the consideration specified in this Section 14.

**Section 15. Tax Levy.** In order to provide for the collection of a direct annual tax (the “Pledged Taxes”) to pay the interest on the Series 2007 Bonds as it falls due, and also to pay and discharge the principal of the Series 2007 Bonds at maturity, there be and there is hereby levied upon all the taxable property within the County a direct annual tax sufficient for that purpose in addition to all other taxes, including specifically in the following amounts for the following years:

<b>Year of Levy</b>	<b><u>A Tax to Produce the Sum of</u></b>
2006	\$2,519,531 for principal and interest up to and including December 15, 2007
2007	\$2,514,250 for principal and interest
2008	\$2,512,875 for principal and interest
2009	\$2,513,500 for principal and interest
2010	\$2,515,937 for principal and interest

Principal or interest on the Series 2007 Bonds falling due at any time when there are insufficient funds on hand to pay the same shall be paid promptly when due from the general funds of the County. Those general funds shall be reimbursed from the amounts derived from the Pledged Taxes when those amounts shall be on hand and not needed for paying other payments of interest and principal then coming due on the Series 2007 Bonds.

**Section 16. Series 2007 Bond Fund.**

(a) There is created a special fund of the County, which fund shall be held separate and apart from all other funds and accounts of the County and shall be known as the “General Obligation Limited Tax Bonds, Series 2007 Debt Service Fund” (the “**Series 2007 Bond Fund**”). The Series 2007 Bond Fund shall be a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the County by this Ordinance.

(b) The Pledged Taxes shall be immediately deposited as received to the credit of the Series 2007 Bond Fund. Such amounts, together with all interest and other investment earnings on those amounts, are appropriated and set aside for the purposes of paying the maturing principal of and interest on the Series 2007 Bonds when due. Except as provided in Section 18, investment earnings on moneys on deposit in the Series 2007 Bond Fund shall be retained in the Series 2007 Bond Fund and used to pay the maturing principal of and interest on the Series 2007 Bonds on the next interest payment date after their receipt.



(c) Moneys on deposit in the Series 2007 Bond Fund may be invested from time to time pursuant to any authorization granted to counties by Illinois statute or court decision. Any such investments may be sold from time to time by the County as moneys are needed for the purposes for which the Series 2007 Bond Fund has been created. In addition, the County Treasurer shall sell such investments when necessary to remedy any deficiency in the Series 2007 Bond Fund.

**Section 17. Filing of Ordinance; Duties of County Clerk.** A certified copy of the Ordinance shall be filed with the County Clerk prior to March 1, 2007. It shall be the duty of the County Clerk annually for each of the years 2006 to 2010, inclusive, to ascertain the rate necessary to produce the tax levied in this Ordinance and to extend that tax for collection over the tax books against all of the taxable property situated within the County, without limitation as to rate, in connection with other taxes levied in each of said years for general County purposes. Such taxes shall be computed, extended and collected in the same manner as is now or may subsequently be provided for the computation, extension and collection of taxes for general purposes of the County. The taxes levied and extended pursuant to this Ordinance shall be in addition to all other taxes levied by the County.

**Section 18. Series 2007 Rebate Fund.** There is hereby created a special fund of the County, which fund shall be held separate and apart from all other funds and accounts of the County and shall be known as the "Series 2007 Rebate Fund" into which there shall be deposited from time to time (i) investment earnings in the Series 2007 Bond Fund and (ii) surplus monies from the Series 2007 Bond Fund, to the extent required to maintain the tax exempt status of the Series 2007 Bonds. All rebates, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) shall be payable from the Series 2007 Rebate Fund.

**Section 19. Application of Series 2007 Bond Proceeds; Project Fund.** The proceeds derived from the sale of the Series 2007 Bonds shall be applied as follows:

(a) Accrued interest received upon the sale of the Series 2007 Bonds, if any, shall be deposited into the Series 2007 Bond Fund and used to pay the first interest coming due on the Series 2007 Bonds on December 15, 2007.

(b) Proceeds of sale of the Series 2007 Bonds, in the amount necessary, may be applied directly to pay expenses of issuance of the Series 2007 Bonds at the time the Series 2007 Bonds are issued.

(c) The remaining proceeds of sale of the Series 2007 Bonds shall be set aside in a separate fund which is created and designated as the "Series 2007 Bonds, Project Fund" (the "**Project Fund**"), which the County shall maintain as a separate and segregated account. Moneys in said fund shall be withdrawn from time to time as needed for the payment of costs of the Project and said moneys are appropriated for that purpose. Moneys on deposit in the Project Fund shall be disbursed by the County from time to time upon submission to the County Treasurer of a copy of an order signed by an officer of the County, stating specifically the

purpose for which the order is issued and indicating that the payment for which the order is issued has been approved by the County.

Within sixty (60) days after depletion of the Project Fund or payment of all costs of the Project, as herein referred to, the County Treasurer shall certify to the County Board the fact of such depletion or the County officer in responsible charge of the Project shall certify to the County Board the fact that the work has been completed according to approved plans and specifications, as applicable, and upon approval of such certification by the County Board, funds (if any) remaining in the Project Fund shall be credited by the County Treasurer to the Series 2007 Bond Fund, and the Project Fund shall be closed.

Funds on deposit in the Project Fund may be invested by the County Treasurer in the same manner as provided in Section 16(c) of this Ordinance for moneys in the Series 2007 Bond Fund. All investment earnings in the Project Fund shall be credited to the Project Fund.

All amounts received upon the sale of the Series 2007 Bonds, together with all interest and other investment earnings on those amounts, are appropriated and set aside for the purposes for which the Series 2007 Bonds are being issued as set forth in this Ordinance.

**Section 20. This Ordinance a Contract.** Upon issuance of the Series 2007 Bonds, the provisions of this Ordinance shall constitute a contract between the County and the registered owners of the Series 2007 Bonds, and no changes, additions or alterations of any kind shall be made to this Ordinance, except as provided in this Ordinance.

**Section 21. Bond Registrar, Paying Agent and Authenticating Agent Covenants.** If requested by the Bond Registrar, the Chairman and County Clerk are authorized to execute the Bond Registrar's standard form of agreement(s) between the County and the Bond Registrar with respect to the obligations and duties of the Bond Registrar, Paying Agent and Authenticating Agent under this Ordinance. Subject to modification by the express terms of any such agreement, such duties shall include the following:

- (i) to act as Bond Registrar, Paying Agent, Authenticating Agent and/or Transfer Agent as provided in this Ordinance;
- (ii) to maintain a list of Series 2007 Bond holders as set forth in this Ordinance and to furnish such list to the County upon request, but otherwise to keep such list confidential to the extent permitted by law;
- (iii) to cancel and/or destroy Series 2007 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (iv) to furnish the County at least annually a certificate with respect to Series 2007 Bonds cancelled and/or destroyed; and
- (v) to furnish the County at least annually an audit confirmation of Series 2007 Bonds paid, Series 2007 Bonds outstanding and payments made with respect to interest on the Series 2007 Bonds.

The County Clerk of the County is directed to file a certified copy of this Ordinance with the Bond Registrar.

The County covenants with respect to the Bond Registrar, and the Bond Registrar further covenants and agrees, as follows:

- (i) The County shall at all times retain a Bond Registrar with respect to the Series 2007 Bonds; it will maintain at the designated office(s) of such Bond Registrar a place or places where Series 2007 Bonds may be presented for payment, registration, transfer or exchange; and it will require that the Bond Registrar properly maintain the Bond Register and perform the other duties and obligations imposed upon it by this Ordinance in a manner consistent with the standards, customs and practices of the municipal securities industry.
- (ii) The Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing the certificate of authentication on any Series 2007 Bond, and by such execution the Bond Registrar shall be deemed to have certified to the County that it has all requisite power to accept and has accepted such duties and obligations not only with respect to the Series 2007 Bonds so authenticated but with respect to all the Series 2007 Bonds. The Bond Registrar shall be the agent of the County and shall not be liable in connection with the performance of its duties except for its own negligence or willful wrongdoing. The Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on Series 2007 Bonds.
- (iii) The County may remove the Bond Registrar at any time. If at any time the Bond Registrar shall resign, shall be removed, shall become incapable of acting, or shall be adjudicated a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Bond Registrar or of its property shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or of its property or affairs, the County covenants and agrees that it will promptly appoint a successor Bond Registrar. The County shall give notice by certified mail of any such appointment made by it to each registered owner of any Series 2007 Bond within twenty (20) days after such appointment. Any successor Bond Registrar appointed under the provisions of this Section shall be a bank, trust company, or national banking association maintaining its principal corporate trust office in Illinois, having trust powers and having capital and surplus and undivided profits in excess of \$25,000,000.

**Section 22. General Covenants.** The County covenants with the holders of the Series 2007 Bonds from time to time outstanding that, so long as any Series 2007 Bonds remain outstanding:

- (i) it will punctually pay or cause to be paid from the Series 2007 Bond Fund the principal of, interest on and premium, if any, to become due in respect to the Series 2007 Bonds in strict conformity with the terms of the Series 2007 Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Series 2007 Bonds and this Ordinance;
- (ii) it will pay and discharge, or cause to be paid and discharged, from the Series 2007 Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Series 2007 Bond Fund, or upon any funds in the hands of the Paying Agent, or which might impair the security of the Series 2007 Bonds. This covenant does not require the County to make any such payment so long as the County in good faith shall contest the validity of said claims;
- (iii) it 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 Project and to the Series 2007 Bond Fund, and such books of record and accounts shall be at all times during normal business hours subject to the inspection of the holders of not less than ten percent (10.0%) of the aggregate principal amount of the outstanding Series 2007 Bonds or their representatives duly authorized by them in writing;
- (iv) it will preserve and protect the security of the Series 2007 Bonds and the rights of the registered owners of the Series 2007 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 Series 2007 Bonds by the County, the Series 2007 Bonds shall be incontestable by the County; and
- (v) it 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 registered owners of the Series 2007 Bonds of the rights and benefits provided in this Ordinance.

**Section 23. Aggregate Tax Levy Covenant.** The County certifies and covenants that as of the date of this Ordinance, the aggregate tax levy for each levy year to pay debt service on “limited bonds” (as defined in Section 3 of the Debt Reform Act) of the County including the Series 2007 Bonds does not exceed the “debt service extension base,” as defined in Section 18-185 of the Property Tax Extension Limitation Law. The County further covenants that it will not issue limited bonds or other bonds the debt service on which would so reduce that amount available such that the aggregate tax levy extension for any levy year to pay debt service on limited bonds, including the Series 2007 Bonds, would exceed the debt service extension base.

**Section 24. Not Private Activity Bonds.** None of the Series 2007 Bonds is a “private activity bond” as defined in Section 141(a) of the Code. In support of such conclusion, the County certifies, represents and covenants as follows:

- (i) None of the proceeds of the Series 2007 Bonds is to be used, directly or indirectly, in any trade or business carried on by any person other than a state or local governmental unit other than as a member of the general public. The foregoing representation and certification does not apply to “incidental uses” of the Project (within the meaning of that term as defined in *Treasury Regulations* Section 1.141-3(d)(5), that in the aggregate involve less than 2.5% of the Project and to which are allocated less than 2.5% of the proceeds of the Series 2007 Bonds.
- (ii) The payment of more than five percent of the principal of or the interest on the Series 2007 Bonds, will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any activity carried on by any person other than a state or local governmental unit or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not by or to the County) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local government unit.
- (iii) No direct or indirect payments are to be made on any Series 2007 Bond with respect to any private business use by any person other than a state or local governmental unit.
- (iv) None of the proceeds of the Series 2007 Bonds is to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.
- (v) Except for those portions of the Project that will be used exclusively by the County, all of the Project will be available for use by the general public. No user of the Project other than the County will use the Project on any basis other than the same basis as the general public and no person other than the County will be a user of the Project as a result of (i) ownership or (ii) actual or beneficial use pursuant to a lease or a management, service or incentive payment contract or output contract, or (iii) any other similar arrangement, whether written or oral, that confers special legal entitlements or special economic benefits. The County has not entered into and will not enter into any arrangement that (i) conveys to any person, other than a state or local governmental unit, special legal entitlements to any portion of the Project that is available for use by the general public or (ii) confers upon any person, other than a state or local governmental unit, special economic benefits from the use of any portion of the Project that is not available for use by the general public. The foregoing representation does not apply to either “incidental uses” of the Project described above or to short term contracts for services that will

meet the “safe harbor” requirements of Section 1.141-3(b)(4) of the Federal Income Tax Regulations and Revenue Procedure 97-13.

**Section 25. General Arbitrage Covenants.** The County represents and certifies as follows with respect to the Series 2007 Bonds:

- (i) The County has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as a bond issuer which may certify bond issues under *Treasury Regulations* Section 1.103-13(a)(2)(ii)(1979).
- (ii) Moneys on deposit in any fund or account in connection with the Series 2007 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2007 Bonds or from any other source, will not be used in a manner which will cause the Series 2007 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and any lawful regulations promulgated under it, as the same presently exist or may from time to time be amended, supplemented or revised.
- (iii) Proceeds of the Series 2007 Bonds will not be used, directly or indirectly, to reimburse the County for expenditures made prior to the date of issuance and delivery of the Series 2007 Bonds except architectural or engineering costs and other “preliminary expenditures” (as defined in the regulations promulgated under Section 150 of the Code) incurred prior to commencement of the Project financed by the Series 2007 Bonds or expenditures for which an intent to reimburse was properly declared under Treasury Regulations Section 1.150-2. This Ordinance is in itself a declaration of official intent under Treasury Regulations Section 1.150-2 as to all costs of the Project paid not more than sixty (60) days prior to the date of adoption of this Ordinance.

**Section 26. Arbitrage Rebate.** The County recognizes that the provisions of Section 148 of the Code require a rebate of “excess arbitrage profits” to the United States of America in certain circumstances. The County covenants to make such rebate payments in accordance with the Code, if required. Investment earnings on the proceeds of sale of the Series 2007 Bonds in the Project Fund are appropriated to the purpose of paying such rebate to the extent necessary.

**Section 27. Registered Form.** The County recognizes that Section 149 of the Code requires the Series 2007 Bonds to be issued and to remain in fully registered form in order for the interest on them to be and remain exempt from federal income taxes. In this connection, the County agrees that it will not take any action to permit the Series 2007 Bonds to be issued in, or converted into, bearer or coupon form.

**Section 28. Additional Tax Covenants.** The County covenants with the registered owners of the Series 2007 Bonds from time to time outstanding that it (i) will take all actions which are necessary to be taken (and avoid any actions which it is necessary to avoid being

taken) so that interest on the Series 2007 Bonds will not be or become included in gross income for federal income tax purposes under existing law including, without limitation, the Code; (ii) will take all actions reasonably within its power to take which are necessary to be taken (and avoid taking any actions which are reasonably within its power to avoid taking and which it is necessary to avoid) so that interest on the Series 2007 Bonds will not be or become included in gross income for federal income tax purposes under the federal income tax laws as in effect from time to time; and (iii) will take no action in the investment of the proceeds of the Series 2007 Bonds, the Series 2007 Bond Fund, the Project Fund, or any other fund of the County which would result in making the interest on the Series 2007 Bonds subject to federal income taxes by causing the Series 2007 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. In furtherance of these provisions, but without limiting their generality, the County agrees:

- (i) through its officers, to make such further specific covenants, certifications and representations as shall be truthful, and assurances as may be necessary or advisable;
- (ii) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by bond counsel approving the Series 2007 Bonds;
- (iii) to consult with such counsel and to comply with such advice as may be given;
- (iv) to file in a timely manner such forms, statements and supporting documents as may be required; and
- (v) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the County in such compliance.

#### **Section 29. Continuing Disclosure.**

(a) So long as any Series 2007 Bonds are outstanding, and to the extent required by law, the County will provide continuing disclosure of information concerning its financial condition to Bondholders, either directly or through a designated repository or by similar means.

(b) The Chairman and the County Clerk are each authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking (the “**Continuing Disclosure Undertaking**”) in substantially the same form as used in connection with prior County bond issues, or with such changes as the officer executing the Continuing Disclosure Undertaking on behalf of the County shall approve, his or her execution to constitute conclusive evidence of his or her approval of such changes.

(c) When the Continuing Disclosure Undertaking is executed and delivered on behalf of the County, the Continuing Disclosure Undertaking will be binding on the County and the officers, employees and agents of the County. The officers, employees and agents of the

County are authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed.

(d) Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Series 2007 Bond to seek mandamus or specific performance by court order to cause the County to comply with its obligations under the Continuing Disclosure Undertaking.

**Section 30. Opinion of Counsel Exception.** The County reserves the right to use or invest proceeds of the Series 2007 Bonds or moneys on deposit in the funds and accounts created by this Ordinance in any manner, notwithstanding the covenants in this Ordinance, provided it shall first have received an opinion from an attorney or a firm of attorneys of nationally recognized standing as municipal bond counsel to the effect that use or investment of such moneys as contemplated is lawful and will not result in loss of tax-exempt status of interest on the Series 2007 Bonds to which such interest would otherwise be entitled.

**Section 31. Municipal Bond Insurance.** If the payment of principal of and interest on the Series 2007 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 shall comply with such usual and reasonable provisions regarding presentment and payment of the Series 2007 Bonds, subrogation of the rights of the Series 2007 Bond Holders to the Bond Insurer when holding Series 2007 Bonds, amendment of this Ordinance, or other terms, as approved by the County Board on advice of counsel, its approval to constitute full and complete acceptance by the County of such terms and provisions under authority of this section.

**Section 32. Additional Authority.** The Chairman, the County Treasurer, the County Clerk, the County Finance Director and the other officers and employees of the County are authorized to execute and deliver on behalf of the County such other documents, agreements and certificates and to do such other things consistent with the terms of this Ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intents and purposes of this Ordinance, including without limitation to make any representations and certifications they deem proper pertaining to (a) the Official Statement referred to in Section 14(b), and (b) the use of the proceeds of the Series 2007 Bonds and moneys in the Project Fund and the Series 2007 Bond Fund in order to establish that the Series 2007 Bonds shall not constitute “arbitrage bonds” within the meaning of Section 148 of the Code.

**Section 33. Conflicting Ordinances, Etc.** All ordinances, resolutions and orders or parts of ordinances, resolutions and orders in conflict with this Ordinance are repealed to the extent of such conflict.

**Section 34. Severability.** If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.



**Section 35. Effective Date.** This Ordinance shall be in full force and effect immediately upon its adoption. This Ordinance shall be published in pamphlet form as soon as possible after its adoption.

**PASSED** by the County Board of The County of Kane, Illinois this February 27, 2007.

Voting Aye: 16

Voting Nay: 3

Absent: 7

**APPROVED AND SIGNED** by the Chairman of the County Board this February \_\_\_\_, 2007.

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Vice Chairman and Chairman *Pro Tem*  
of the County Board

[SEAL]

ATTEST:

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County Clerk

**EXHIBIT A**  
[Form of Series 2007 Bonds]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the County or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA

STATE OF ILLINOIS

THE COUNTY OF KANE

GENERAL OBLIGATION LIMITED TAX BOND,  
SERIES 2007

BOND NO. R- _____	PRINCIPAL AMOUNT: \$ _____
DATE OF BOND: FEBRUARY 15, 2007	INTEREST RATE: _____ %
CUSIP NUMBER: _____	DATE OF MATURITY: DECEMBER 15, 20__
REGISTERED OWNER: CEDE & CO.	

The County of Kane, Illinois (the "**County**"), for value received, promises to pay to the Registered Owner specified above or that person's registered assigns, upon presentation and surrender of this Bond at the principal corporate trust office of U.S. Bank National Association (the "**Paying Agent**"), the Principal Amount of this Bond specified above on the Date of Maturity specified above and to pay to the Registered Owner of this Bond interest on that sum at the Interest Rate per year specified above from the Date of Bond specified above to the date of payment of this Bond, payable semi-annually on June 15th and December 15th of each year, with the first interest payment date being December 15, 2007. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on this Bond shall be payable on each interest payment date by check or draft of the Paying Agent mailed to the person in whose name this Bond is registered at the close of business on the 15<sup>th</sup> day preceding that interest payment date. The principal of and interest on this Bond are payable in lawful money of the United States of America. No interest shall accrue on this Bond after its Date of Maturity unless this Bond shall have been presented for payment at maturity and shall not then have been paid.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$11,345,000, the proceeds of which are to be used to undertake a project consisting of improvements to properties of the County, including but not limited to, the Sheriff's facilities, the North Campus, the Judicial Center and the Government Center, and also including in connection with those improvements, all mechanical, electrical and other facilities and services necessary, useful or advisable to the program of improvements, and incidental to those project costs, bond discount, if any, interest, bond reserve requirements, if any, legal and other financing and related administrative fees and costs, as described in the Ordinance of the County adopted on February 27, 2007 authorizing the issuance and sale of this Bond and the issue of Bonds of which it is a part (the "**Ordinance**"). This Bond was issued in accordance with the Illinois Constitution, the Local Government Debt Reform Act, the Illinois Counties Code, and pursuant to the Ordinance. This Bond and the issue of which it is a part (together, the "**Bonds**") have been issued by the County upon full payment for them as provided in the Ordinance.

The Bonds are limited bonds pursuant to Sections 3 and 15.01 of the Local Government Debt Reform Act (30 ILCS 350/3). Taxes have been levied in an amount sufficient to make prompt payment of both principal of and interest on the Bonds. The County has covenanted that as of the date of the Ordinance, the aggregate tax levy for such year to pay debt service on limited bonds will not exceed the amount authorized to be levied pursuant to the Property Tax Extension Limitation Law (35 ILCS 200/18-185 *et seq.* (the "Act")), said amount being referred to in Section 18-185 of the Act as "debt service extension base." The County has covenanted that it has not issue limited bonds or other bonds the debt service on which would so reduce that amount available that the aggregate tax levy extension for any levy year to pay debt service on limited bonds, including the Bonds, would exceed the debt service extension base.

The issuance of the Bond does not cause the indebtedness of the County to exceed any limitation under the laws of the State of Illinois.

The Bonds are not subject to redemption prior to their maturity.

This Bond is negotiable, subject to the following provisions for registration and registration of transfer. U.S. Bank National Association maintains books for the registration and registration of transfer of Bonds at its principal office in Chicago, Illinois, as Bond Registrar and Authenticating Agent appointed in the Ordinance (the "**Bond Registrar**"). This Bond is registered on those books, and transfer of this Bond may be registered on those books only upon surrender of this Bond to the Bond Registrar by the registered owner or his or her attorney duly authorized in writing together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney. Upon surrender of this Bond for registration of transfer, a new Bond or Bonds in the same aggregate principal amount will be issued to the transferee as provided in the Ordinance.

The Bonds are issued in fully registered form in the denominations of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged, at the option of the registered owner, for an equal aggregate principal amount of Bonds of any other authorized denominations upon surrender of this Bond at the principal office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney.

For every exchange or registration of transfer of this Bond, the County or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the County, required to be paid with respect to that exchange or transfer, and payment of that charge by the person requesting exchange or registration of transfer shall be a condition precedent to that exchange or registration of transfer. No other charge may be made by the County or the Bond Registrar as a condition precedent to exchange or registration of transfer of this Bond.

The Bond Registrar will not be required to exchange or register the transfer of this Bond during the period from the close of business on the 1st day of the month in which an interest payment date on the Bonds is scheduled to the opening of business on such interest payment date.

The County, the Paying Agent and the Bond Registrar may treat the registered owner of this Bond as its absolute owner, whether or not this Bond is overdue, for the purpose of receiving payment of the principal of or interest on this Bond and for all other purposes, and neither the County, the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of the principal of and interest on this Bond shall be made only to its registered owner, and all such payments shall be valid and effective to satisfy the obligation of the County on this Bond to the extent of the amount paid.

All conditions which by law must have existed or must have been fulfilled in the issuance of this Bond existed and were fulfilled in compliance with law. The issuance of the Bonds by the County will not cause the County to exceed or violate any applicable limitation or condition respecting the issuance of Bonds imposed by the laws of Illinois or by any ordinance or resolution of the County. The Bonds are issued for purposes for which the County is authorized by law to issue its debt obligations.

This Bond shall not be valid for any purpose unless and until the certificate of authentication on this Bond shall have been duly executed by the Authenticating Agent.

**IN WITNESS WHEREOF**, The County of Kane, Illinois, by its County Board, has caused this Bond to be executed by the manual or facsimile signature of its Chairman of the County Board and the manual or facsimile signature of its County Clerk and has caused its corporate seal to be affixed to or impressed on this Bond (or a facsimile of its seal to be printed on this Bond), all as of the Date of Bond specified above.

**THE COUNTY OF KANE, ILLINOIS**

By: \_\_\_\_\_  
Chairman of the County Board

[SEAL]  
ATTEST:

\_\_\_\_\_  
County Clerk

[Form of Certificate of Authentication]

This Bond is one of the Bonds described in the Ordinance authorizing the issuance of \$11,345,000 General Obligation Limited Tax Bonds, Series 2007, of The County of Kane, Illinois.

**U.S. BANK NATIONAL ASSOCIATION,**  
as Authenticating Agent

By: \_\_\_\_\_  
Authorized Officer

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on this Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF GIFT MIN ACT -

\_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)  
under Uniform Gifts to  
Minors Act \_\_\_\_\_  
(State)

TEN COM — as tenants in common  
TEN ENT — as tenants by the entireties  
JT TEN — as joint tenants with right  
of survivorship and not as  
tenants in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

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

\_\_\_\_\_  
(Name, Address and Tax Identification Number of Assignee)

the within Bond and does 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 Certificate in every particular, without alteration or enlargement or any change whatever.

**NOTICE:** The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in approved Signature Guarantee Medallion Program).

***EXHIBIT B***

Bids Received for the Series 2007 Bonds

The names of the bidders for the Series 2007 Bonds, the purchase price specified by each bidder in its bid and the true interest cost specified in each bid are set forth below.

<b><u>Name</u></b>	<b><u>True Interest Cost (%)</u></b>
Harris, N.A.	3.7133
Commerce Bank	3.7190
Stone & Youngberg	3.7264
First Southwest Co.	3.7269
William Blair & Co.	3.7369
Raymond James & Associates	3.7700
LaSalle Financial Services, Inc.	3.7814
First Trust Portfolios/Nike Securities	3.7935
Morgan Stanley DW, Inc.	3.7935
Merrill Lynch	3.8244
Benning & Scattergood	3.8282
Piper Jaffray Cos.	3.9668

Discussion followed. Wojnicki requested what the tax increase would be on a 200,000 and 300,000 home to which Pattelli responded about 11.43 and 17.00, respectively. Kenyon reviewed the list of items included and commented it was the county's obligation to maintain and provide buildings for the people of this county. Allan advised would oppose. Carlson advised this bond issue replaces one of the Public Building Commission that expired 2-3 years ago. The Bond Issue comes from the actions the board had previously taken. Discussion continued. Special Assistant State's Attorney advised February 28 is the last day to file with the State. No further discussion. Roll call as follows: AYES: Carlson, de la Isla, Fahy, Greviskes, Hoscheit, Hurlbut, Jones, Kenyon, Kissane, Kudlicki, Leonberger, Lewis, McConnaughay, Mitchell, Neuberger, Van Cleave, Wyatt NAYS: Allan, Kunkel, Wojnicki AYES: 16 NAYS: 3 **ORDINANCE #07-68 ADOPTED.**

There being no further business, motion by Van Cleave; second by McConnaughay, that the meeting stand adjourned until the next regularly scheduled meeting. Carried unanimously by voice vote. Chairman McConnaughay adjourned the meeting at 5:47 p.m.