

MINUTES of a regular public meeting of the County Board of The County of Champaign, Illinois, held in the Lyle Shields Meeting Room, Brookens Administration Center, 1776 East Washington Street, Urbana, Illinois, in said County at 6:30 o'clock P.M., on the 18th day of September, 2014.

* * *

The Chairman called the meeting to order and directed the County Clerk to call the roll.

Upon the roll being called, Alan Kurtz, the Chairman, and the following County Board Members were physically present at said location: _____

The following County Board Members were allowed by a majority of the members of the County Board in accordance with and to the extent allowed by rules adopted by the County Board to attend the meeting by video or audio conference: _____

No County Board Member was not permitted to attend the meeting by video or audio conference.

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

The Chairman announced that the County Board would consider the adoption of an ordinance providing for the issue of the County's general obligation refunding alternate bonds and the levy of a direct annual tax sufficient to pay the principal and interest thereon.

Whereupon County Board Member _____ presented and the County Clerk read by title an ordinance as follows, a copy of which was provided to each County Board Member prior to said meeting and to everyone in attendance at said meeting who requested a copy:

ORDINANCE NO. 948

AN ORDINANCE providing for the issue of not to exceed \$12,000,000 General Obligation Refunding Bonds (Public Safety Sales Tax Alternate Revenue Source) of The County of Champaign, Illinois, for the purpose of refunding certain outstanding bonds of said County, and providing for the levy of a direct annual tax sufficient to pay the principal and interest on said Bonds.

WHEREAS, The County of Champaign, 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 has outstanding General Obligation Refunding Bonds (Public Safety Sales Tax Alternate Revenue Source), Series 2005B (the "*Prior Bonds*"); and

WHEREAS, the County Board of the County (the "*County Board*") has determined that it is advisable, necessary and in the best interests of the County to refund a portion of the Prior Bonds (said portion of the Prior Bonds to be refunded being referred to herein as the "*Refunded Bonds*") in order to realize debt service savings for the County; and

WHEREAS, the Refunded Bonds shall be fully described in the Escrow Agreement referred to in Section 13 hereof and are presently outstanding and unpaid and are binding and subsisting legal obligations of the County; and

WHEREAS, the refunding of the Refunded Bonds 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, the estimated cost of refunding the Refunded Bonds (the "*Refunding*"), including legal, financial, bond discount, printing and publication costs and other expenses is not

less than \$12,000,000, and there are insufficient costs on hand and lawfully available to pay such costs; and

WHEREAS, the County Board has determined that in order to refund the Refunded Bonds, it is necessary and in the best interests of the County to borrow an amount not to exceed \$12,000,000 and issue bonds of the County (the "*Bonds*") therefor; and

WHEREAS, Section 15 of the Act provides that alternate bonds may be issued to refund other alternate bonds without meeting any of the requirements set forth in Section 15 of the Act, except that the term of the refunding bonds shall not be longer than the term of the bonds being refunded and that the debt service payable in any year on the refunding bonds shall not exceed the debt service payable in such year on the bonds being refunded; and

WHEREAS, the County Board does hereby determine that the term of the proposed Bonds is not longer than the term of the Refunded Bonds and that the debt service payable in any year on the Bonds does not exceed the debt service payable in such year on the Refunded Bonds; and

WHEREAS, the Bonds to be issued will be payable (a) together with the County's outstanding General Obligation Bonds (Public Safety Sales Tax Alternate Revenue Source), Series 1999 (the "*Series 1999 Bonds*"), General Obligation Bonds (Public Safety Sales Tax Alternate Revenue Source), Series 2000B (the "*Series 2000B Bonds*"), and General Obligation Bonds (Public Safety Sales Tax Alternate Revenue Source), Series 2007A (the "*Series 2007A Bonds*" and collectively, the "*Prior Parity Bonds*"), from the Pledged Revenues, as hereinafter defined, and (b) from the Pledged Taxes, as hereinafter defined; and

WHEREAS, the ordinances authorizing the issuance of the Prior Parity Bonds permit the issuance of additional alternate bonds on a parity with the Prior Parity Bonds provided that the Pledged Revenues are sufficient to provide for or pay all of the following (i) debt service on all Outstanding bonds payable from Pledged Revenues computed immediately after the issuance of any proposed parity bonds, (ii) all amounts required to meet any fund or account requirements

with respect to such Outstanding bonds, (iii) other contractual or tort liability obligations then due and payable, if any, and (iv) an additional amount not less than 0.25 times debt service (as provided in Section 15 of the Act) on such alternate bonds as shall remain Outstanding bonds after the issuance of the proposed parity bonds; and

WHEREAS, the County Board hereby determines that such provisions have been met and that the Pledged Revenues will provide in each year an amount not less than 1.25 times debt service on the Prior Parity Bonds and the Prior Bonds not refunded by the Bonds (together, the “*Prior Alternate Bonds*”) and the Bonds, the same being the only obligations 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 County Board and is now on file with the County Clerk; and

WHEREAS, the County Board hereby further determines that it is necessary and desirable that the Refunded Bonds be called for redemption in advance of its maturity, and it is necessary and desirable to make such call for the redemption of the Refunded Bonds on its earliest practicable call date, and provide for the giving of proper notice to the registered owner of the Refunded Bonds:

NOW, THEREFORE, Be It Ordained by the County Board of The County of Champaign, Illinois, as follows:

Section 1. Definitions. The following words and terms used in this Ordinance shall have the following meanings unless the context or use clearly indicates another or different meaning is intended:

“*Act*” means the Local Government Debt Reform Act of the State of Illinois, as amended.

“*Additional Bonds*” means any alternate bonds issued in the future in accordance with the provisions of the Act on a parity with and sharing ratably and equally in the Pledged Revenues.

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

“*Bond*” or “*Bonds*” means one or more, as applicable, of the General Obligation Refunding Bonds (Public Safety Sales Tax Alternate Revenue Source) authorized to be issued by this Ordinance.

“*Bond Fund*” means the Bond and Interest Account continued in Section 13 of this Ordinance.

“*Bond Register*” means the books of the County kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

“*Bond Registrar*” means Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent.

“*Bond Year*” means the twelve-calendar-month period commencing on January 2 of each year and ending on the following January 1.

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

“*Counties Code*” means the Counties Code of the State of Illinois, as amended.

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

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

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

“Designated Representatives” means the Chairman of the County Board and the County Administrator.

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

“Escrow Agent” means Amalgamated Bank of Chicago, Chicago, Illinois.

“Escrow Agreement” means the letter agreement by and between the County and the Escrow Agent as authorized in Section 14 hereof and set forth as *Exhibit A* hereto.

“Fiscal Year” means that twelve-calendar-month period beginning December 1 of any calendar year and ending on November 30 of the following calendar year.

“Junior Bond” means any Outstanding bond or Outstanding bonds payable from the Junior Debt Service Account of the Bond Fund under the Ordinance, and includes expressly the Prior Bonds not refunded by the Bonds.

“Municipal Bond Insurance Policy” means a policy or surety contract guaranteeing to the registered owners of the Bonds the payment of the principal of and interest on the Bonds.

“Ordinance” means this ordinance as originally adopted and as the same may from time to time be amended or supplemented in accordance with the terms hereof.

“Outstanding Bonds” means the Prior Bonds, Bonds and Additional Bonds which are outstanding and unpaid; *provided, however*, such term shall not include Prior Bonds, Bonds or Additional Bonds (i) which have matured and for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient to pay all principal and interest thereof, or (ii) 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 or obligations guaranteed by the United States Government, the principal and

interest of which will be sufficient to pay at maturity or as called for redemption all the principal of and interest and applicable premium on such Prior Bonds, Bonds or Additional Bonds.

“Pledged Moneys” means Pledged Revenues and Pledged Taxes as both are defined herein.

“Pledged Revenues” means the Public Safety Sales Taxes and other funds of the County lawfully available and annually appropriated for the purpose of paying the Bonds.

“Pledged Taxes” means the ad valorem property taxes levied upon all of the taxable property in the County without limitation as to rate or amount and pledged by the County as security for the Bonds.

“Public Safety Sales Taxes” means receipts from the special county retailers’ occupation tax for public safety and the related service occupation tax under 55 ILCS 5/5-1006.5, including any replacement, successor or substitute taxes.

“Record Date” means the 15th day of the month next preceding any regular or other interest payment date occurring on the first day of any month and 15 days preceding any interest payment date occasioned by the redemption of Bonds on other than the first day of a month.

“Senior Bond” means any Outstanding bond or Outstanding bonds payable from the Senior Debt Service Account of the Bond Fund under the Ordinance, and includes expressly the Series 1999 Bonds, the Series 2000B Bonds, the Series 2007A Bonds and the Bonds.

“State” means the State of Illinois.

“Tax-exempt” means, with respect to the Bonds, the status of interest paid and received thereon as excludable from gross income of the owners thereof 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 federal alternative minimum tax for certain corporations.

“Underwriter” means William Blair & Company, L.L.C., Chicago, Illinois.

Section 2. Incorporation of Preambles. The County 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 3. Determination to Issue Bonds. It is necessary and in the best interests of the County for the County to refund the Refunded Bonds and to issue the Bonds to enable the County to pay the costs thereof.

Section 4. Bond Details. For the purpose of providing for the Refunding, there shall be issued and sold the Bonds in a principal amount not to exceed \$12,000,000 and designated as “General Obligation Refunding Bonds (Public Safety Sales Tax Alternate Revenue Source)” with such series designation as set forth in the Bond Notification (as hereinafter defined). The Bonds shall be dated such date (not prior to September 30, 2014, and not later than March 31, 2015) 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 serially or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on January 1 of each of the years (not later than 2029), in the amounts (not exceeding \$2,350,000 per year) and bearing interest at the rates per annum (not exceeding 5.00% 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 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 Record 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.

Section 5. Execution; Authentication. The Bonds shall be executed on behalf of the County with the manual or facsimile signature of the Chairman of the County Board and attested with the manual or facsimile signature of the County Clerk and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the County. 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 it 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 6. 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 or such other authorized person as the officers of the County may designate 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 original principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized original 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 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.

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 Bonds 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 4 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 County Board, the County Clerk, the County Treasurer 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 the principal 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, including any notice of redemption, 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 4 hereof with respect to

the payment of interest to the registered owners of Bonds at the close of business on the Record 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 6(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 7. Redemption. (a) Optional Redemption. All or a portion of the Bonds due on and after the date, if any, specified 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 specified in the Bond Notification (but not later than January 1, 2025), and on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Notification are 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 for the on 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 County 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 8. 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 at the option of the County 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 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.

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

[Form of Bond - Front Side]

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF CHAMPAIGN

**GENERAL OBLIGATION REFUNDING BOND (PUBLIC SAFETY SALES TAX ALTERNATE
REVENUE SOURCE), SERIES 20__**

See Reverse Side for
Additional Provisions

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

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS, that The County of Champaign, Illinois, a unit of local government and political subdivision of the State of 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 consisting of twelve 30-day months) on such Principal Amount from the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for at the Interest Rate per annum identified above, such interest to be payable on _____ 1, 20__, and semiannually thereafter on January 1 and July 1 of each year until the Principal Amount is paid or duly provided for. The principal of and premium, if any, on this Bond are payable in lawful money of the United States of America upon presentation at the principal corporate trust office of Amalgamated Bank of Chicago, Chicago, Illinois, as paying agent and bond registrar (the “*Bond Registrar*”). Payment of interest shall be

made to the Registered Owner hereof as appearing on the Bond Register of the County maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding that in which the interest payment date occurs 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.

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

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done and have happened and have been performed in regular and due form of 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; that provision has been made for the collection of the Pledged Taxes and the segregation of the Pledged Moneys to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the County hereby covenants and agrees that it will properly account for said Pledged Moneys and will comply with all the covenants of and maintain the funds and accounts as provided by the Bond Ordinance.

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

IN WITNESS WHEREOF, The County of Champaign, Illinois, by its County Board, has caused this Bond to be executed with 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 or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

Chairman of the County Board

ATTEST:

County Clerk

(SEAL)

Date of Authentication: _____, 201__

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar and Paying Agent:
Amalgamated Bank of Chicago
Chicago, Illinois

This Bond is one of the Bonds described in the within-mentioned Bond Ordinance and is one of the General Obligation Refunding Bonds (Public Safety Sales Tax Alternate Revenue Source), Series 20__, of The County of Champaign, Illinois

AMALGAMATED BANK OF CHICAGO,
as Bond Registrar

By _____
Authorized Officer

[Form of Bond - Reverse Side]

THE COUNTY OF CHAMPAIGN, ILLINOIS

GENERAL OBLIGATION REFUNDING BOND (PUBLIC SAFETY SALES TAX ALTERNATE REVENUE SOURCE), SERIES 20__

This Bond is one of a series of bonds issued by the County to refund certain outstanding obligations of the County, 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 passed by the County Board of the County (the “County Board”) on the 18th day of September, 2014 (the “Bond Ordinance”), in all respects as provided by law. Reference is hereby expressly made to the Bond Ordinance for further definitions and terms and to all the provisions of which the Registered Owner by the acceptance of this Bond assents.

The Bonds are payable (i) together with the County’s outstanding General Obligation Bonds (Public Safety Sales Tax Alternate Revenue Source), Series 1999, General Obligation Bonds (Public Safety Sales Tax Alternate Revenue Source), Series 2000B, and General Obligation Bonds (Public Safety Sales Tax Alternate Revenue Source), Series 2007A (collectively, the “Prior Parity Bonds”), from receipts from the special county retailers’ occupation tax for public safety and the related service occupation tax under 55 ILCS 5/5-1006.5, including any replacement, successor or substitute taxes (the “Pledged Revenues”), and (ii) ad valorem property taxes levied upon all of the taxable property in the County without limitation as to rate or amount (the “Pledged Taxes”) (the Pledged Revenues and the Pledged Taxes being, collectively, referred to as the “Pledged Moneys”), all in accordance with the provisions of the Act and the Code. The Bonds are being issued on a parity with the Prior Parity Bonds, to the extent the Bonds and the Prior Parity Bonds are payable from the Pledged Revenues.

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

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.

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.

This Bond does not constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation full faith and credit promise supporting the Bonds, 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.

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 next preceding 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.

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

Dated: _____

Signature Guaranteed: _____

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

Section 10. Sale of Bonds. The Designated Representatives are hereby authorized to proceed not later than the 18th day of March, 2015, without any further authorization or direction from the County 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 the Underwriter, upon receipt of the purchase price therefor, the same being not less than 99% of the principal amount of the Bonds (exclusive of original issue discount), it being hereby found and determined that the sale of the Bonds to the Underwriter is in the best interests of the County and that no person holding any office of the County, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the sale of the Bonds to the Underwriter.

Prior to the sale of the Bonds, the Chairman of the County Board or business official of the County is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy, 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 the maximum rate otherwise authorized by applicable law and that the net present value debt service savings to the County as a result of the issuance of the Bonds and the refunding of the Refunded Bonds is not less than 3.00% of the principal amount of the Refunded Bonds. The Bond Notification shall be entered into the records of the County and made available to the County Board at the next regular meeting thereof; but such action shall be for information purposes only, and the County 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 County Board, County Clerk and 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 Underwriter (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 own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The use by the Underwriter 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 County 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 11. Pledged Revenues; General Covenants. The County covenants and agrees with the holders of the Bonds that, so long as any Bonds remain outstanding:

A. For the purpose of providing funds required to pay the interest on the Prior Alternate Bonds and 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 Prior Alternate Bonds and the Bonds that the County will deposit the Pledged Revenues into the Bond Fund. The Pledged Revenues have been pledged to the payment of the Prior Alternate Bonds and the provision of not less than an additional .25 times debt service. The Pledged Revenues are hereby pledged to the payment of the Bonds and the County Board covenants and agrees to provide for, appropriate, collect and apply the Pledged Revenues to the payment of the Bonds and the Prior Alternate Bonds and the provision of not less than an additional .25 times debt service, 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, interest on and premium, if any, to become due in respect to 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.

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 Bonds and the Prior Alternate 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 the ordinances or resolutions authorizing the Prior Alternate Bonds, 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 appropriate accounts of 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 the Pledged Taxes may 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.

Section 12. Treatment of Bonds As Debt. The Bonds shall be payable from the Pledged Moneys as provided herein and shall not constitute an indebtedness of the County within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation full faith and credit promise supporting the Bonds, as detailed in Section 15 herein, in which case the amount of the Outstanding Bonds 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 13. Public Safety Sales Tax Revenue Fund. Upon the issuance under the Ordinance of any of the Bonds, the County shall continue to be operated on a Fiscal Year basis, and all of the Public Safety Sales Taxes, constituting Pledged Revenues, shall be set aside as collected and be deposited in a separate fund and in an account in a bank to be designated or continued under another resolution, as the case may be, by the County Board, which fund is hereby created and established or continued, as the case may be, as the County's "Revenue Fund," which shall constitute a trust fund for the sole purpose of carrying out the covenants,

terms, and conditions of the Ordinance related to the Bonds as provided herein, including, without limitation, the establishment (or continuance) therein, as applicable, of the “Bond and Interest Account” (within which (i) there shall be a “Senior Debt Service Account,” including therein separate subaccounts: “2014 Pledged Revenues Subaccount” and “2014 Pledged Taxes Subaccount” identified with respect to the Bonds, and (ii) there may be a “Junior Debt Service Account”), and the “Surplus Account” (collectively, the “Accounts”):

(a) *Senior Debt Service Account.* First, there shall be credited to the Senior Debt Service Account and held, in cash and investments, a fractional amount (not less than $1/6$) of the interest becoming due on the next succeeding interest payment date on all Outstanding Senior Bonds, payable from such Account and also a fractional amount (not less than $1/12$) of the principal becoming due or subject to mandatory redemption on the next succeeding principal maturity or mandatory redemption date of all of the Senior Bonds, if any, payable from such Account until there shall have been accumulated and held, in cash and investments, in the Senior Debt Service Account in or before the month preceding such maturity date of interest or maturity or mandatory redemption date of principal, an amount sufficient to pay such principal or interest, or both.

All moneys in such Account shall be used only for the purpose of paying interest on and principal of applicable Senior Bonds, including the Bonds.

In computing the fractional amount to be set aside each month in such Senior Debt Service Account, the fraction shall be so computed that a sufficient amount will be set aside in such Senior Debt Service Account and will be available for the prompt payment of such principal of and interest on all Senior Bonds and shall be not less than one-sixth ($1/6$) of the interest becoming due on the next succeeding interest payment date and not less than one-twelfth ($1/12$) of the principal becoming due (or subject to mandatory redemption) on the next succeeding principal payment date on all Senior Bonds until there is sufficient money in such Senior Debt Service Account to pay such principal or interest, or both.

Credits into such Senior Debt Service Account may be suspended in any Bond Year at such time as there shall be a sufficient sum held in cash and investments in such Account to meet principal and interest requirements in such Account for the balance of such Bond Year, but such credits shall again be resumed at the beginning of the next Bond Year. All moneys in such Senior Debt Service Account shall be used only for the purpose of paying interest and principal and applicable premium on Senior Bonds.

Receipts of Pledged Taxes for the Bonds with respect to the Senior Debt Service Account shall be deposited into a separate subaccount “2014 Pledged Taxes Subaccount”

identified with respect to the Bonds and shall be used solely and only to pay debt service on the Bonds.

(b) *Junior Debt Service Account.* Second, there shall be deposited and credited to the Junior Debt Service Account and held, in cash and investments, a fractional amount (not less than 1/6) of the interest becoming due on the next succeeding interest payment date on each applicable series of Junior Bonds and also a fractional amount (not less than 1/12) of the principal becoming due (or subject to mandatory redemption) on the next succeeding principal maturity date of each applicable series of the Junior Bonds until there shall have been accumulated and held in cash and investments in such Junior Debt Service Account on or before the month preceding such interest payment date or principal maturity date, or both, an amount sufficient to pay such principal or interest, or both.

In computing the fractional amount to be set aside each month in the Junior Debt Service Account, the fraction shall be so computed that an aggregate sufficient amount will be set aside in the Junior Debt Service Account and will be available for the prompt payment of such principal of and interest on each applicable series of Junior Bonds and shall be not less than one-sixth (1/6) of the interest becoming due on the next succeeding interest payment date and not less than one-twelfth (1/12) of the principal becoming due (or subject to mandatory redemption) on the next succeeding principal payment date on each applicable series of Outstanding Junior Bonds until there is sufficient money in the Junior Debt Service Account to pay such principal or interest, or both.

Credits into the Junior Debt Service Account may be suspended in any Bond Year at such time as there shall be a sufficient sum held in cash and investments in such Account to meet principal and interest requirements in such Account for the balance of such Bond Year, but such credits shall again be resumed at the beginning of the next Bond Year. All moneys in such Junior Debt Service Account shall be used only for the purpose of paying interest and principal and applicable premium on each applicable series of Junior Bonds.

(c) *Surplus Account.* All moneys remaining in the Revenue Fund, after crediting the required amounts to the respective Accounts above, and after making up any deficiency in the Accounts above, shall be used, if at all, for one or more of the following purposes (including for any general corporate purpose) without any priority among them:

(1) For the purpose of calling and redeeming Outstanding bonds payable from applicable Pledged Revenues which are callable at the time; or

(2) For the purpose of paying principal and interest and applicable premium on any subordinate bonds or obligations; or

(3) For any other lawful purpose, including the authorized purchase of Outstanding bonds payable from applicable Pledged Revenues, including applicable premium and accrued interest.

(d) *Investments.* Moneys to the credit of the funds, accounts and subaccounts under this Section 13 may be invested from time to time by the County's Treasurer in (i) interest-bearing bonds, notes, or other direct full faith and credit obligations of the United States of America, (ii) obligations unconditionally guaranteed as to both principal and interest by the United States of America, or (iii) certificates of deposit or time deposits of any bank or savings and loan association, as defined by Illinois laws, provided such bank or savings and loan association is insured by the Federal Deposit Insurance Corporation or a successor corporation to the Federal Deposit Insurance Corporation and *provided further* that the principal of such deposits are secured by a pledge of obligations as described in clauses (d)(i) and (d)(ii) above in the full principal amount of such deposits, or otherwise collateralized in such amount and in such manner as may be required by law. Such investments may be sold from time to time by the County Treasurer as funds may be needed for the purpose for which such Accounts have been created. All interest on any funds so invested shall be credited to the applicable Account of the Fund and is hereby deemed and allocated as expended with the next expenditure or expenditures of money from the applicable Account of the Fund. Moneys in any of such accounts and subaccounts shall be invested by the County Treasurer, if necessary, in investments restricted as to yield, which investments may be in U.S. Treasury Securities - State and Local Government Series ("*Government Securities*"), if available, and to such end the County Treasurer shall refer to any investment restrictions covenanted by the County or any officer thereof as part of the transcript of proceedings for the issuance of the Bonds, and to appropriate opinions of counsel.

Section 14. Use of Bond Proceeds. The proceeds derived from the sale of the Bonds shall be used as follows:

A. Accrued interest received by the County upon the sale of the Bonds and principal proceeds of the Bonds in an amount not to exceed \$500,000 shall be deposited into the Senior Debt Service Account and be used to pay interest due on the Bonds.

B. Simultaneously with the delivery of the Bonds, the balance of the principal proceeds of the Bonds, together with any premium received from the sale of the Bonds and such additional amounts as may be necessary from the general funds of the County, shall be used for payment of expenses of issuing the Bonds, or be deposited in escrow pursuant to the Escrow Agreement to be entered into between the County and the Escrow Agent, in substantially the form attached hereto as *Exhibit A* and made a part hereof by this reference, or with such changes therein as shall be approved by the officers of the County executing the Escrow Agreement, such execution to constitute evidence of the approval of such changes, for the purpose of paying the principal of and interest on the Refunded Bonds as the Refunded Bonds are redeemed on the date set forth in the Bond Notification. The Board approves the form, terms and provisions of the Escrow Agreement and directs the Chairman of the County Board and the County Clerk to execute, attest, seal and deliver the Escrow Agreement in the name and on behalf of the County. Said amount in the escrow shall be used to purchase Government Securities to provide for the payment of the principal of and interest payable on the Refunded Bonds

when due or on their redemption date. The Escrow Agent and the Underwriter are each hereby authorized to act as agent for the County in the purchase of the Government Securities. The expenses of issuing the Bonds may be paid from Bond proceeds by the Underwriter on behalf of the County at closing.

Section 15. Pledged Taxes; Tax Levy. For the purpose of providing additional funds sufficient to pay the principal of and interest on the Bonds, and as provided in Section 15 of the Act, there be and there is hereby levied upon all the taxable property within the County 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 that there be and there is hereby levied upon all of the taxable property in the County, the following direct annual tax, to-wit (the “*Pledged Taxes*”):

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2014	\$ 549,125	for interest and principal up to and including January 1, 2016
2015	\$ 549,125	for interest and principal
2016	\$ 549,125	for interest and principal
2017	\$ 549,125	for interest and principal
2018	\$ 549,125	for interest and principal
2019	\$ 549,125	for interest and principal
2020	\$ 549,125	for interest and principal
2021	\$ 549,125	for interest and principal
2022	\$2,154,125	for interest and principal
2023	\$2,198,875	for interest and principal
2024	\$2,247,375	for interest and principal
2025	\$2,294,125	for interest and principal
2026	\$2,338,900	for interest and principal
2027	\$2,382,600	for interest and principal

Following any extension of Pledged Taxes, 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.

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 (except for the abatement of tax levies permitted under Section 17). 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 (except for the abatement of tax levies permitted under Section 17) 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 County Board, County Clerk and 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 16. Filing of Ordinance and Certificate of Reduction of Taxes. 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. Subject to abatement as provided in the text below, the County Clerk shall in and for each of the years required 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 2014 Pledged Taxes Subaccount, 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.

The Chairman of the County Board, the County Clerk and the County Treasurer of the County be and the same are hereby directed to prepare and file with the County Clerk, a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Prior Bonds being refunded and directing the abatement of the taxes heretofore levied for the years 2014 to 2027, inclusive, to pay the Refunded Bonds.

Section 17. Abatement of Pledged Taxes. Whenever the Pledged Revenues have been irrevocably deposited in the 2014 Pledged Revenues Subaccount in an amount sufficient to pay debt service on the Outstanding Bonds, the County Board shall duly direct the abatement of the Pledged Taxes for the year with respect to which such Pledged Taxes have been levied to the extent of such deposit, and proper notification of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement. If for any reason there is abatement of such levy of Pledged Taxes and the failure thereafter to pay debt service on the Bonds in respect of such abatement, the additional amount, together with additional interest accruing, shall be added to the tax levy for the Pledged Taxes in the year of, or the next year following, such failure.

Section 18. Non-Arbitrage and Tax-Exemption. One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the County Board and the County as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the County for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, 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 (including, without limitation, making or

permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The County acknowledges that, in the event of an examination by the Internal Revenue Service (the “IRS”) of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the County may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination. The County Board and the County certify, covenant and represent as follows:

1.1. Definitions. In addition to such other words and terms used and defined in this Ordinance, the following words and terms used in this Section shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

“*Affiliated Person*” means any Person that (a) at any time during the six months prior to the execution and delivery of the Bonds, (i) has more than five percent of the voting power of the governing body of the County in the aggregate vested in its directors, officers, owners, and employees or, (ii) has more than five percent of the voting power of its governing body in the aggregate vested in directors, officers, board members or employees of the County or (b) during the one-year period beginning six months prior to the execution and delivery of the Bonds, (i) the composition of the governing body of which is modified or established to reflect (directly or indirectly) representation of the interests of the County (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period) or (ii) the composition of the governing body of the County is modified or established to reflect (directly or indirectly) representation of the interests of such Person (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

“*Bond Counsel*” means Chapman and Cutler LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“*Capital Expenditures*” means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election)

under federal income tax principles if the County were treated as a corporation subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

“*Closing*” means the first date on which the County is receiving the purchase price for the Bonds.

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

“*Commingled Fund*” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

“*Control*” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

(a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or

(b) to require the use of funds or assets of a Controlled Entity for any purpose.

“*Controlled Entity*” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“*Controlled Group*” means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has Control of the other entities.

“*Controlling Entity*” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“*Costs of Issuance*” means the costs of issuing the Bonds, including underwriters’ discount and legal fees, but not including the fees for the Credit Facility described in paragraph 5.8 hereof.

“*Credit Facility*” means the municipal bond insurance policy issued by the Credit Facility Provider.

“*Credit Facility Provider*” means the insurance company, if any, insuring the payment of all or a portion of the principal of and interest on the Bonds.

“*Escrow Account*” means the account established pursuant to the Escrow Agreement.

“*Escrow Agreement*” means the agreement between the Escrow Agent and the County providing for the deposit in trust of certain Government Securities for the purpose of refunding in advance of maturity the Refunded Bonds.

“*External Commingled Fund*” means a Commingled Fund in which the County and all members of the same Controlled Group as the County own, in the aggregate, not more than ten percent of the beneficial interests.

“*GIC*” means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

“*Government Securities*” means the obligations held and to be held under the Escrow Agreement.

“*Gross Proceeds*” means amounts in the Bond Fund and the Escrow Account.

“*Net Sale Proceeds*” means amounts actually or constructively received from the sale of the Bonds reduced by any such amounts that are deposited in a reasonably required reserve or replacement fund for the Bonds.

“*Person*” means any entity with standing to be sued or to sue, including any natural person, corporation, body politic, governmental unit, agency, authority, partnership, trust, estate, association, company, or group of any of the above.

“*Placed-in-Service*” means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

“*Prior Bond Fund*” means the fund or funds established in connection with the issuance of the Prior Bonds to pay the debt service on the Prior Bonds.

“*Prior Bond Proceeds*” means amounts actually or constructively received from the sale of the Refunded Bonds and all other amounts properly treated as gross proceeds of the Refunded Bonds under the Regulations, including (a) amounts used to pay underwriters’ discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before the Refunded Bonds were issued but only if it is to be paid within one year after the Refunded Bonds were issued and (b) amounts derived from the sale of any right that is part of the terms of a Refunded Bond or is otherwise associated with a Refunded Bond (*e.g.*, a redemption right).

“*Prior Bonds*” means the County’s outstanding issues being refunded by the Bonds, as more particularly described in the preambles hereof.

“*Prior Project*” means the facilities financed, directly or indirectly with the proceeds of the Prior Bonds and the Prior Refunded Bonds.

“*Prior Refunded Bond Fund*” means the fund or funds established in connection with the issuance of the Prior Refunded Bonds to pay the debt service on the Prior Refunded Bonds.

“*Prior Refunded Bond Proceeds*” means amounts actually or constructively received from the sale of the Prior Refunded Bonds and all other amounts properly treated as gross proceeds of the Prior Refunded Bonds under the Regulations, including (a) amounts used to pay underwriters’ discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before the Prior Refunded Bonds were issued but only if it is to be paid within one year after the Prior Refunded Bonds were issued and (b) amounts derived from the sale of any right that is part of the terms of a Prior Refunded Bond or is otherwise associated with a Prior Refunded Bond (*e.g.*, a redemption right).

“*Prior Refunded Bonds*” means the County’s General Obligation Bonds (Public Safety Sales Tax Alternate Revenue Source), Series 1999, refunded by the Prior Bonds.

“*Private Business Use*” means any use of the Prior Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Prior Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Prior Project that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Prior Project that is not available for use by the general public.

“*Qualified Administrative Costs of Investments*” means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

“*Qualified Tax Exempt Obligations*” means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax

imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344.

“*Rebate Fund*” means the fund, if any, identified and defined in paragraph 4.1 herein.

“*Rebate Provisions*” means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

“*Refunded Bonds*” means those certain Prior Bonds being refunded by the Bonds.

“*Regulations*” means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

“*Reimbursed Expenditures*” means expenditures of the County paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

“*Reserve Portion of the Bond Fund*” means the portion of the Bond Fund funded in excess of the amount of debt service payable each year.

“*Sale Proceeds*” means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriters’ discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (*e.g.*, a redemption right).

“*Transferred Proceeds*” means amounts actually or constructively received from the sale of the Prior Bonds, plus investment earnings thereon, which have not been spent prior to the date principal on the Refunded Bonds is discharged by the Bonds.

“*Yield*” means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation’s purchase price (or in the case of the Bonds, the issue price as established in paragraph 5.1 hereof), including accrued interest.

“*Yield Reduction Payment*” means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the IRS may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

2.1. *Purpose of the Bonds.* The Bonds are being issued solely and exclusively to refund in advance of maturity the Refunded Bonds in a prudent manner consistent with the revenue needs of the County. A breakdown of the sources and uses of funds is set

forth in Section 14 of this Ordinance. Except for any accrued interest on the Bonds used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 90 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the County or for the purpose of replacing any funds of the County used for such purpose.

2.2. *Bond Fund Investment.* The investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Bond Fund will be commingled with substantial revenues from the governmental operations of the County, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Bond Fund have not been earmarked or restricted by the County Board for a designated purpose.

2.3. *Reimbursement.* None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

2.4. *Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to pay principal of, interest on and redemption premium (if any) on the Refunded Bonds, other than the following:

- (a) [Reserved];
- (b) Costs of Issuance and Qualified Administrative Costs of Investments;
- (c) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;
- (d) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon;
- (e) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months; and
- (f) fees for the Credit Facility.

2.5. *Consequences of Contrary Expenditure.* The County acknowledges that if Sale Proceeds and investment earnings thereon are spent other than as permitted by paragraph 2.4 hereof, a like amount of then available funds of the County will be treated as unspent Sale Proceeds.

2.6. *Investment of Bond Proceeds.* No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

2.7. *No Grants.* None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

2.8. *Hedges.* Neither the County nor any member of the same Controlled Group as the County has entered into or expects to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds or the Prior Bonds. The County acknowledges that any such hedge could affect, among other things, the calculation of Bond Yield under the Regulations. The IRS could recalculate Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

The County also acknowledges that if it acquires a hedging contract with an investment element (including *e.g.*, an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Bonds, and be subject to the fair market purchase price rules, rebate and yield restriction. The County agrees not to use proceeds of the Bonds to pay for any such hedging contract in whole or in part. The County also agrees that it will not give any assurances to any Bond holder, the Credit Facility Provider, or any other credit or liquidity enhancer with respect to the Bonds that any such hedging contract will be entered into or maintained. The County recognizes that if a portion of a hedging contract is determined to be an investment of gross proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

2.9. *IRS Audits.* The County represents that the IRS has not contacted the County regarding the Prior Bonds or any other obligations issued by or on behalf of the County. To the best of the knowledge of the County, no such obligations of the County are currently under examination by the IRS.

2.10. *Abusive Transactions.* Neither the County nor any member of the same Controlled Group as the County will receive a rebate or credit resulting from any payments having been made in connection with the issuance of the Bonds or the advance refunding of the Refunded Bonds.

3.1. *Use of Proceeds.* (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Ordinance at the time of Closing are described in Section 14 of this Ordinance. No Sale Proceeds will be used to pre-pay for goods or services to be received over a period of years prior to the date such goods or services are to be received, except for any payment to the Credit Facility Provider. No Sale Proceeds or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from the County, any member of the same Controlled Group as the County, or an Affiliated Person.

(b) Only the funds and accounts described in said Section will be funded at Closing. There are no other funds or accounts created under this Ordinance, other than the Rebate Fund if it is created as provided in paragraph 4.2 hereof.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) Any Costs of Issuance incurred in connection with the issuance of the Bonds to be paid by the County will be paid at the time of Closing.

3.2. *Purpose of Bond Fund.* The Bond Fund (other than the Reserve Portion of the Bond Fund) will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund (other than the Reserve Portion of the Bond Fund) will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Bond Fund (other than the Reserve Portion of the Bond Fund) for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

The County will levy taxes to produce an amount sufficient to pay all principal of and interest on the Bonds in each bond year. To minimize the likelihood of an insufficiency, the amount extended to pay the Bonds may in most years be in excess of the amount required to pay principal and interest within one year of collection. This over-collection (if any) may cause the Bond Fund as a whole to fail to function as a bona fide debt service fund. Nevertheless, except for the Reserve Portion of the Bond Fund, the Bond Fund will be depleted each year as described above. The Reserve Portion of the Bond Fund will constitute a separate account not treated as part of the bona fide debt service fund. The Reserve Portion of the Bond Fund is subject to yield restriction requirements except as it may otherwise be excepted as provided in 5.2 below. It is also subject to rebate requirements.

3.3. *The Prior Bonds.* (a) The Prior Bonds were issued for the purpose of refunding in advance of maturity certain of the Prior Refunded Bonds. As of January 1, 2009, all Prior Bond Proceeds, including investment earnings thereon, were completely spent. As of the date three years after the Prior Refunded Bonds were issued, all Prior Refunded Bond Proceeds, including investment earnings thereon, were completely spent to pay the costs of Capital Expenditures.

(b) As of the date hereof, no Prior Bond Proceeds, Prior Refunded Bond Proceeds or money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Prior Bonds, the Prior Refunded Bonds or any credit enhancement or liquidity device relating to the foregoing, or is otherwise restricted to pay the County's obligations other than amounts on deposit in the Escrow Account.

(c) The Prior Bond Fund and the Prior Refunded Bond Fund were used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Prior Bonds and the Prior Refunded Bonds in each bond year. The Prior Bond Fund and the Prior Refunded Bond Fund were depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (i) the

earnings on the investment of moneys in such account for the immediately preceding bond year or (ii) one-twelfth (1/12th) of the principal and interest payments on the Prior Bonds and the Prior Refunded Bonds.

(d) At the time the Prior Refunded Bonds were issued, the County reasonably expected to spend at least 85% of the proceeds (including investment earnings) of the Prior Refunded Bonds to be used for non-refunding purposes for such purposes within three years of the date the Prior Refunded Bonds were issued and such proceeds were so spent. Not more than 50% of the proceeds of the Prior Refunded Bonds to be used for non-refunding purposes was invested in investments having a substantially guaranteed Yield for four years or more.

(e) The County has not been notified that the Prior Bonds or any obligation refunded by the Prior Bonds is under examination by the IRS, and to the best of the County's knowledge neither the Prior Bonds nor any obligation refunded by the Prior Bonds is under examination by the IRS.

(f) The County acknowledges that (i) the final rebate payment with respect to the Prior Bonds may be required to be made sooner than if the refunding had not occurred and (ii) the final rebate is due 60 days after the Prior Bonds are paid in full.

(g) The Refunded Bonds subject to redemption prior to maturity will be redeemed within 90 days of closing.

3.4. *The Escrow Account.* (a) The Escrow Account will be funded at the Closing.

(b) The uninvested cash and anticipated receipts from the Government Securities on deposit in the Escrow Account, without regard to any reinvestment thereof, will be sufficient to pay, when due, principal and interest on the Refunded Bonds as such become due and payable and to redeem the outstanding principal amount of the Refunded Bonds on the date called for their redemption, at the applicable redemption price thereof.

(c) Any moneys remaining on deposit in the Escrow Account upon the final disbursement of funds sufficient to pay principal and interest of the Refunded Bonds shall be transferred by the Escrow Agent to the Bond Fund to be used to pay interest on the Bonds.

3.5. *No Other Gross Proceeds.* (a) Except for the Bond Fund and except for investment earnings that have been commingled as described in paragraph 2.2 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the County nor any member of the same Controlled Group as the County has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund or account with respect to the Bonds (other than the Rebate Fund);

(iii) Transferred Proceeds;

(iv) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the County encounters financial difficulties;

(vi) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (*e.g.*, any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the Bonds); or

(vii) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds. The average reasonably expected remaining economic life of the Prior Project is at least 15 years. The weighted average maturity of the Bonds does not exceed 15 years and does not exceed 120 percent of the average reasonably expected economic life of the Prior Project. The maturity schedule of the Bonds (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (*i.e.*, having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

4.1. *Compliance with Rebate Provisions.* The County covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The County will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law.

4.2. *Rebate Fund.* The County is hereby authorized to create and establish a special fund to be known as the Rebate Fund (the "*Rebate Fund*"), which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Ordinance. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Ordinance.

4.3. *Records.* The County agrees to keep and retain or cause to be kept and retained for the period described in paragraph 7.9 adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

4.4. *Fair Market Value; Certificates of Deposit and Investment Agreements.* The County will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Ordinance. In making investments of Gross Proceeds or of amounts in the Rebate Fund the County shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement

that the potential provider has with the County or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the County or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the County will retain the following records with its bond documents until three years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under subparagraph (b)(xi) of this paragraph;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this Section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an

interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the County. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this paragraph.

A single investment, or multiple investments awarded to a provider based on a single bid may not be used for funds subject to different rules relating to rebate or yield restriction.

The foregoing provisions of this paragraph satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this paragraph are contained herein for the protection of the County, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The County will contact Bond Counsel if it does not wish to comply with the provisions of this paragraph and forego the protection provided by the safe harbors provided herein.

4.5. Arbitrage Elections. The Chairman of the County Board, County Clerk and County Treasurer are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

4.6. Six Month Exception. If all Gross Proceeds of the Bonds (including earnings thereon) are spent within six months of the date the Bonds are issued, other than amounts deposited in a reasonably required reserve fund or a bona fide debt service fund, no rebate is required except in the case of unexpected gross proceeds arising after the date of Closing. If all proceeds (including earnings thereon) required to be spent are so spent within this six-month period, except for 5% of the Bond proceeds, and the County spends the 5% (plus earnings thereon), within one year from the Closing, no rebate is required. To qualify for the six-month exception, there must be no other amounts that are treated as Gross Proceeds of the Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if the County qualifies for this exception, the County may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date.

5.1. Issue Price. For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the first offering price (including accrued interest) at which the Underwriter reasonably expected to sell at least ten percent of the principal

amount of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). All of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those set forth in the Official Statement. Based upon prevailing market conditions, such prices are not less than the fair market value of each Bond as of the sale date for the Bonds.

5.2. *Yield Limits.* Except as provided in paragraph (a) or (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds.

The following may be invested without Yield restriction:

(a) amounts on deposit in the Bond Fund (except for capitalized interest and any Reserve Portion of the Bond Fund) that have not been on deposit under the Ordinance for more than 13 months, so long as the Bond Fund (other than the Reserve Portion of the Bond Fund) continues to qualify as a bona fide debt service fund as described in paragraph 3.2 hereof;

(b) (i) An amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;

(ii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and this Ordinance);

(iii) amounts in the Rebate Fund;

(iv) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon other than those on deposit in the Escrow Account for a period of one year from the date received.

5.3. *Yield Limits on Prior Bond Proceeds.* Except for an amount not to exceed the lesser of \$100,000 or five percent of Prior Bond Proceeds, the County acknowledges that all Prior Bond Proceeds must be invested at market prices and at a Yield not in excess of the Yield on the Prior Bonds.

5.4. *Continuing Nature of Yield Limits.* Except as provided in paragraph 7.10 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

5.5. *Federal Guarantees.* Except for investments meeting the requirements of paragraph 5.2(a) hereof and except for investments in the Escrow Account, investments

of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (*e.g.*, Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this paragraph nor paragraph 5.6 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

5.6. *Investments After the Expiration of Temporary Periods, Etc.* Any amounts, other than amounts in the Escrow Account, that are subject to the yield limitation in Section 5.2 because Section 5.2(a) is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b) cannot be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (*e.g.*, Refcorp Strips).

5.7. *Escrow Yield.* The Yield on the Government Securities purchased with Sale Proceeds of the Bonds, taking into account any Transferred Proceeds, has been computed by the Underwriter to be not greater than the Yield on the Bonds computed by the Underwriter.

5.8. *Treatment of Certain Credit Facility Fees.* The fee paid to the Credit Facility Provider with respect to the Credit Facility may be treated as interest in computing Bond Yield.

Neither the County nor any member of the same Controlled Group as the County is a Related Person as defined in Section 144(a)(3) of the Code to the Credit Facility Provider. The fee paid to the Credit Facility Provider does not exceed ten percent of the Sale Proceeds. Other than the fee paid to the Credit Facility Provider, neither the Credit Facility Provider nor any person who is a Related Person to the Credit Facility Provider within the meaning of Section 144(a)(3) of the Code will use any Sale Proceeds or

investment earnings thereon. The fee paid for the Credit Facility does not exceed a reasonable, arm's length charge for the transfer of credit risk. The fee does not include any payment for any direct or indirect services other than the transfer of credit risk.

6.1. *Payment and Use Tests.* (a) No more than five percent of the proceeds of each issue of the Prior Bonds and investment earnings thereon were used, directly or indirectly, in whole or in part, in any Private Business Use. The County acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Bonds or on each issue of the Prior Bonds considered separately will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the County or a member of the same Controlled Group as the County) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of \$5,000,000 or five percent of the sum of the proceeds of each issue of the Prior Bonds and investment earnings thereon were used, and no more than the lesser of \$5,000,000 or five percent of the sum of the Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons. The County acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Prior Project other than a state or local governmental unit will use more than five percent of such facilities, considered separately, on any basis other than the same basis as the general public.

6.2. *I.R.S. Form 8038-G.* The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, is true and complete. The County will file Form 8038-G (and all other required information reporting forms) in a timely manner.

6.3. *Bank Qualification.* Prior to the date hereof in the current calendar year, no obligations that have been designated as "qualified tax-exempt obligations" for the purposes and within the meaning of Section 265(b)(3) of the Code have been issued by any of the following: (i) the County; (ii) an entity issuing obligations on behalf of the County; and (iii) any member of the same Controlled Group as the County or the same Controlled Group as an entity issuing obligations on behalf of the County.

7.1. *Termination; Interest of County in Rebate Fund.* The terms and provisions set forth in this Section shall terminate at the later of (a) 75 days after the Bonds have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States and any other payments required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of paragraphs 4.3, 4.4(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

7.2. *Separate Issue.* Since a date that is 15 days prior to the date of sale of the Bonds by the County to the Underwriter, neither the County nor any member of the same Controlled Group as the County has sold or delivered any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the County nor any member of the same Controlled Group as the County will sell or deliver within 15 days after the date of sale of the Bonds any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

7.3. *No Sale of the Prior Project.* (a) Other than as provided in the next sentence, neither the Prior Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the County of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity date of the Bonds. The County may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the County of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity of the Bonds, provided: (A) the weighted average maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the County reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the County deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the County reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The County acknowledges that if property financed with the Prior Bonds is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a “deliberate action” within the meaning of the Regulations that may require remedial actions to prevent the Bonds from becoming private activity bonds. The County shall promptly contact Bond Counsel if a sale or other disposition of Bond-financed property is considered by the County.

7.4. *Purchase of Bonds by County.* The County will not purchase any of the Bonds except to cancel such Bonds.

7.5. *First Call Date Limitation.* The period between the date of Closing and the first call date of the Bonds is not more than 10-1/2 years.

7.6. *Registered Form.* The County recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, 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.

7.7. *First Amendment.* The County acknowledges and agrees that it will not use, or allow the Prior Project to be used, in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State of Illinois.

7.8. *Future Events.* The County acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein. The County shall promptly contact Bond Counsel if such changes do occur.

7.9. *Records Retention.* The County agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in this Ordinance and to show that all tax returns related to the Bonds submitted or required to be submitted to the IRS are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including this Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (*i.e.*, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under paragraphs 4.3 and 4.4 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

7.10. *Permitted Changes; Opinion of Bond Counsel.* The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the County receives an opinion of Bond Counsel

to such effect. Unless the County otherwise directs, such opinion shall be in such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230) 31 C.F.R. pt. 10.

7.11. Successors and Assigns. The terms, provisions, covenants and conditions of this Section shall bind and inure to the benefit of the respective successors and assigns of the County Board and the County.

7.12. Expectations. The Board has reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the County as to future events, are set forth in summary form in this Section. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the County has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

The County also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Board hereby authorizes the officials of the County responsible for issuing the Bonds, the same being the Chairman of the County Board, County Clerk and County Treasurer to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest in the Bonds will be exempt from federal income taxation. In connection therewith, the County and the County Board further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates

of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the County in such compliance.

Section 19. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the owners of all Bonds and upon any transfer shall add the name and address of the new owner and eliminate the name and address of the transferor.

Section 20. Duties of Bond Registrar. If requested by the Bond Registrar, the Chairman of the County 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 21. Continuing Disclosure Undertaking. The Chairman of the County 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 the Continuing Disclosure Undertaking is executed and delivered on behalf of the County as herein provided, the 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 the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedy for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order to cause the County to comply with its obligations under the Continuing Disclosure Undertaking.

Section 22. Municipal Bond Insurance. In the event the payment of principal of and interest on the Bonds is insured pursuant to a Municipal Bond Insurance Policy issued by a bond insurer (a “*Bond Insurer*”), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the 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 when holding Bonds, amendment hereof, or other terms, as approved by the Chairman of the County Board on advice of counsel, his or her approval to constitute full and complete acceptance by the County of such terms and provisions under authority of this Section.

Section 23. Call of the Refunded Bonds. In accordance with the redemption provisions of the ordinance authorizing the issuance of the Prior Bonds, the County by the County Board does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds for redemption on the date set forth in the Escrow Agreement.

Section 24. Additional Bonds. The County reserves the right to issue Additional Bonds from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Outstanding Bonds; provided that no Additional Bonds shall be issued except in accordance with the provisions of the Act.

Any such Additional Bonds which may be issued in compliance herewith shall be payable as to principal on January 1 and as to interest on January 1 and July 1 in each year in which principal and interest come due.

Section 25. Defeasance. Bonds which are no longer Outstanding Bonds as defined in this Ordinance shall cease to have any lien on or right to receive or be paid from Pledged Moneys and shall no longer have the benefits of any covenant for the holders or registered owners of Outstanding Bonds as set forth herein.

Section 26. This Ordinance Is a Contract. The provisions of this Ordinance shall constitute a contract between the County and the registered owners of the Bonds, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided.

Section 27. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the County to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds and other debt obligations of the County, the interest on which is excludable from “gross income” for federal income tax purposes or which enable the County or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds (including the Bonds, the “*Tax Advantaged Obligations*”). Further, it is necessary and in the best interest of the County that (i) the County Board adopt policies with respect to record-keeping and post issuance compliance with the County’s covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least

annually review the County's Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations. The County Board and the County hereby adopt the following Record-Keeping Policy:

(a) *Compliance Officer Is Responsible for Records.* The County Administrator (the "Compliance Officer") is hereby designated as the keeper of all records of the County with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the County Board at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (i) the proceedings of the County authorizing the Tax Advantaged Obligations, (ii) any offering document with respect to the offer and sale of the Tax Advantaged Obligations, (iii) any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the County with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the County Board stating whether or not the County has any rebate liability to the U.S. Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the County Board.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the County must meet in order to maintain the tax-exemption of interest paid on its Tax Advantaged Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on its Tax Advantaged Obligations, and applicable tax credits or other tax benefits arising from its Tax Advantaged Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Advantaged Obligations is entitled to be excluded from "gross income" for federal income tax purposes, that the County is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on its Tax Advantaged Obligations, and the entitlement of holders of any Tax Advantaged Obligations to any tax

credits or other tax benefits, respectively. Notwithstanding any other policy of the County, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all Tax Advantaged Obligation proceeds for their intended purposes, and records showing the assets and other property financed by such disbursements;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held or in which funds to be used for the payment of principal or interest on any Tax Advantaged Obligations has been held, or which has provided security to the holders or credit enhancers of any Tax Advantaged Obligations;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the County, including any leases (the "*Contracts*"), with respect to the use of any property owned by the County and acquired, constructed or otherwise financed or refinanced with the proceeds of the Tax Advantaged Obligations effective at any time when such Tax Advantaged Obligations are, will or have been outstanding. Copies of contracts covering no more than 50 days of use and contracts related to County employees need not be retained.

(e) *IRS Examinations or Inquiries*. In the event the IRS commences an examination of any issue of Tax Advantaged Obligations or requests a response to a compliance check, questionnaire or other inquiry, the Compliance Officer shall inform

the Board of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination or inquiry.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the County Board, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the County has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the County's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Ordinance and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the "*Tax Agreements*") to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these procedures. The Compliance Officer will review this Ordinance and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver.* The procedures described in this Section are only for the benefit of the County. No other person (including an owner of a Tax Advantaged Obligation) may rely on the procedures included in this Section. The County may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of an ordinance by the County Board. Additional procedures may be required for Tax Advantaged Obligations the proceeds of which are used for purposes other than capital

governmentally owned projects or refundings of such, including tax increment financing bonds, bonds financing output facilities, bonds financing working capital, or private activity bonds. The County also recognizes that these procedures may need to be revised in the event the County enters into any derivative products with respect to its Tax Advantaged Obligations.

Section 28. 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 29. Repealer. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

Section 30. Effective Date. Pursuant to the Act, this Ordinance shall be effective immediately upon its passage and approval, without publication or posting or any further act or requirement.

ADOPTED by the County Board of The County of Champaign, Illinois, this 18th day of September, 2014.

Chairman of the County Board of
The County of Champaign, Illinois

ATTEST:

County Clerk and ex-officio
Clerk of the County Board of
The County of Champaign, Illinois

EXHIBIT A

FORM OF ESCROW LETTER AGREEMENT

_____, 20__

Re: The County of Champaign, Illinois
 General Obligation Refunding Bonds
 (Public Safety Sales Tax Alternate Revenue Source), Series 20__

Ladies and Gentlemen:

The County of Champaign, Illinois (the "*County*"), by an ordinance adopted by its County Board on the 18th day of September, 2014 (the "*Bond Ordinance*"), has authorized the issue and delivery of \$_____ General Obligation Refunding Bonds (Public Safety Sales Tax Alternate Revenue Source), Series 20__, dated _____, 20__ (the "*Bonds*"). The County has authorized by the Bond Ordinance that a portion of the proceeds of the Bonds be used to refund a portion of the County's outstanding and unpaid General Obligation Refunding Bonds (Public Safety Sales Tax Alternate Revenue Source), Series 2005B, dated May 1, 2005 (the "*Refunded Bonds*"), such bonds being all of those maturities due serially on January 1 of the years and in the amounts and bearing interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2024	\$1,605,000	5.00%
2025	1,730,000	5.00%
2026	1,865,000	5.00%
2029	6,425,000	4.50%

The County hereby deposits with you \$_____ from the proceeds of the Bonds and \$_____ from other funds of the County and you are hereby instructed as follows with respect thereto:

1. Upon deposit, you are directed to purchase U.S. Treasury Securities State and Local Government Series (Certificates of Indebtedness) (the "*SLGs*") in the amount of \$_____ and maturing on _____, 2015. You are further instructed to fund a beginning cash escrow deposit on demand in the amount of \$_____. The beginning deposit

and the SLGs are to be held in an irrevocable trust fund account (the “*Trust Account*”) for the County to the benefit of the holders of the Refunded Bonds.

2. You shall hold the proceeds and interest income or profit derived therefrom and all uninvested cash in the Trust Account for the sole and exclusive benefit of the holders of the Refunded Bonds until payment of the Refunded Bonds on _____, 2015 is made.

3. You shall promptly collect the principal, interest or profit from the proceeds deposited in the Trust Account and promptly apply the same as necessary to the payment of the Refunded Bonds as herein provided.

4. You shall remit the sum of \$_____ on _____, 2014, to the paying agent for the Refunded Bonds, Amalgamated Bank of Chicago, Chicago, Illinois (the “*Bond Registrar*”), such sum being sufficient to pay the principal of the Refunded Bonds on such date, and such remittance shall fully release and discharge you from any further duty or obligation thereto under this Agreement.

5. In addition, you are hereby directed to give or cause the Bond Registrar to give notice of the call of the Refunded Bonds, on or before the date the notice of such redemption is given to the holders of the Refunded Bonds, to the Municipal Securities Rulemaking Board (the “*MSRB*”) through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Information with respect to procedures for submitting notice can be found at <https://msrb.org>.

6. You shall make no payment of fees, due or to become due, of the Bond Registrar or the bond registrar and paying agent for the Bonds. The County shall pay the same as they become due.

7. If at any time it shall appear to you that the available proceeds of the deposits on demand in the Trust Account will not be sufficient to pay the principal of the Refunded Bonds, you shall notify the County not less than five (5) days prior to the _____, 2015, payment date and the County shall make up the anticipated deficit from any funds legally available for such purpose so that no default in the making of any such payment will occur.

8. That, upon final disbursement of funds sufficient to pay the Refunded Bonds as hereinabove provided for, you shall transfer any balance remaining in the Trust Account to the County and thereupon this Agreement shall terminate.

Very truly yours,

THE COUNTY OF CHAMPAIGN, ILLINOIS

By _____
Chairman, County Board

By _____
County Clerk

Accepted this _____ day of _____, 20__.

Chicago, Illinois

By _____
Its _____

County Board Member _____ moved and County Board Member _____ seconded the motion that said ordinance as presented and read by title be adopted.

After a full discussion thereof, the Chairman directed that the roll be called for a vote upon the motion to adopt said ordinance.

Upon the roll being called, the following County Board Members voted AYE: _____

The following County Board Members voted NAY: _____

Whereupon the Chairman declared the motion carried and said ordinance adopted, approved and signed the same in open meeting and directed the County Clerk to record the same in the records of the County Board of The County of Champaign, Illinois, which was done.

Other business not pertinent to the adoption of said ordinance was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

County Clerk and ex-officio
Clerk of the County Board of
The County of Champaign, Illinois

STATE OF ILLINOIS)
) SS
COUNTY OF CHAMPAIGN)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of the County Board of The County of Champaign, Illinois (the “*Board*”), and as such official am the keeper of the records and files of the Board.

I further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the County Board held on the 18th day of September, 2014, insofar as the same relates to the adoption of Ordinance No. 948 entitled:

AN ORDINANCE providing for the issue of not to exceed \$12,000,000 General Obligation Refunding Bonds (Public Safety Sales Tax Alternate Revenue Source) of The County of Champaign, Illinois, for the purpose of refunding certain outstanding bonds of said County, and providing for the levy of a direct annual tax sufficient to pay the principal and interest on said Bonds.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the County Board on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the County Board at least 48 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 48-hour period preceding said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Counties Code of the State of Illinois, as amended, and that the County Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the County Board.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of said County, this
18th day of September, 2014.

County Clerk, County Board,
The County of Champaign, Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF CHAMPAIGN)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Champaign, Illinois, and as such official I do further certify that on the ____ day of _____, 201__, there was filed in my office a duly certified copy of Ordinance No. 948 entitled:

AN ORDINANCE providing for the issue of not to exceed \$12,000,000 General Obligation Refunding Bonds (Public Safety Sales Tax Alternate Revenue Source) of The County of Champaign, Illinois, for the purpose of refunding certain outstanding bonds of said County, and providing for the levy of a direct annual tax sufficient to pay the principal and interest on said Bonds.

passed by the County Board of the County, on the 18th day of September, 2014, and approved by the Chairman of the County Board of the County, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this ____ day of _____, 201__.

County Clerk and ex-officio
Clerk of the County Board of
The County of Champaign, Illinois

[SEAL]