Agenda Item # 77

DISTRIBUTION
County Board
County Clerk
County Administrator
Tax Extension
Public Works

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

COUNTY BOARD, LAKE COUNTY, ILLINOIS

ADJOURNED SEPTEMBER A.D., 2007 SESSION

NOVEMBER 13, 2007 A.D., MEETING

MADAM CHAIR AND MEMBERS OF THE COUNTY BOARD:

Your Public Works & Transportation Committee and Financial & Administrative Committee present herewith an Ordinance providing for the issuance of Special Service Area Number Thirteen Special Tax Bonds, Series 2007A and Taxable Special Tax Bonds, Series 2007B of the County of Lake, Illinois and the levy of a special tax sufficient to pay the principal and interest on said bonds; and request its adoption.

Respectfully submitted,

PUBLIC WORKS AND TRANSPORTATION COMMITTEE

	Aye	Nay
CHAIR	✓	
VICE-CHAIR	✓	
	✓	
	✓	
	✓	
	✓	

FINANCIAL AND ADMINISTRATIVE COMMITTEE

	Aye	Nay
CHAIR	X	
VICE-CHAIR		
	✓	
	X	
	✓	

MINUTES of a regular public meeting of the County Board of The County of Lake, Illinois, held at the Lake County Government Building , 18 North County Street, Waukegan, Illinois 60085, at 9:00 o'clock A.M., on the 13th day of November, 2007.

* * *

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

Upon the roll being called, the following County Board Members answered present: _____

_____

The following County Board Members were absent from the meeting: _____

_____

County Board Member _____ presented and the County Clerk read in full an ordinance as follows:

ORDINANCE NO. __-__-__

AN ORDINANCE providing for the issuance of Special Service Area Number Thirteen Special Tax Bonds, Series 2007A (Spencer Highlands/Elmcrest Subdivisions) and Taxable Special Tax Bonds, Series 2007B (Spencer Highlands/Elmcrest Subdivisions) of The County of Lake, Illinois, and the levy of a special tax sufficient to pay the principal and interest on said bonds.

WHEREAS, Special Service Area Number Thirteen (the "**Special Service Area**"), consisting of the following described territory:

Legal Description of Special Service Area No. Thirteen
(Spencer Highlands / Elmcrest Subdivisions)

Spencer's Highlands, a community subdivision, being the South 690 feet of the West 420 feet of the Southeast quarter of the Southwest quarter of Section 24, together with that part of the Northeast quarter of the Northwest quarter of Section 25 lying Northwest of Bangs Lake, all in Township 44 North, Range 9, East of the Third Principal Meridian according to the plat thereof, recorded August 31, 1920, as Document 195601 in book "K" of plats page 44, Lake County, Illinois. (Except that part falling in the East half of the Northeast quarter of the Northwest quarter of Section 25 Township 44 North, Range 9 East of the Third Principal Meridian in Lake County, Illinois.) also (Except Beginning at the Northeast Corner of the West half of Lot 5 in said Spencer's Highlands Subdivision, thence East Along the South Line of Hickory Lane to the West line of said East half of the Northeast quarter of the Northwest quarter of Section 25, thence South along said West line 150 feet to the South line of said lot 5 extended East, thence West to the Southeast corner of said West half of said lot 5, thence North to the point of beginning)

Groves 1st Addition to Spencer's Highlands, a subdivision of North 200 feet of the South 890 feet of the West 420 feet in the Southeast quarter of the Southwest quarter of Section 24, Township 44 North, Range 9 East of the Third Principal Meridian, according to the plat thereof recorded June 9, 1922, as Document 212597 in Lake County, Illinois.

Groves 2nd Addition to Spencer's Highlands, a subdivision of the South 278 ½ feet of the East quarter of the Southwest quarter of the Southwest quarter of Section 24, Township 44 North, Range 9 East of the Third Principal Meridian, according to the plat thereof, recorded May 4, 1923 as Document 223551 in Lake County, Illinois.

(Unrecorded Orchard Addition to Spencer's Highlands) That part of the East 330.0 feet of the Southwest Quarter of the Southwest Quarter, also known as the East quarter of said Southwest Quarter of the Southwest Quarter also the West 16.5 feet of the North 132.0 feet of the East 346.5 feet of said Southwest Quarter of the Southwest Quarter of Section 24, Township 44 North, Range 9 East of the Third Principal Meridian, in Lake County, Illinois, (Excepting that part falling within Grove's Second Addition to Spencer's Highlands, being a subdivision of part

of the East Quarter of said Southwest Quarter of the Southwest Quarter of Section 24, according to the plat thereof recorded May 4, 1923 as Document 223551 in Lake County, Illinois) also (Excepting the North 25.0 feet of said East 330.0 feet of the Southwest Quarter of the Southwest Quarter) also (Excepting any portion lying Northerly of the Southerly right of way of roadway commonly known as Lake Drive [formerly Spencer's Highlands Road] connecting from Garland Road [formerly known as Glynch Road] to Spencer's Highlands Subdivision), in Lake County, Illinois.

Elmcrest, being Cook and Paddock's Bangs Lake Subdivision, being a subdivision of parts of Sections 23, 25, and 26, in Township 44 North, Range 9, East of the Third Principal Meridian according to the plat thereof recorded October 1, 1923 as Document 230331, in Book "M" of Plats, Page 18, in Lake County, Illinois.

Property Index Numbers: [To Come]

has been created by an Ordinance entitled "An Ordinance establishing Special Service Area Number Thirteen in The County of Lake, Illinois, and providing for the levy of taxes for the purpose of paying the cost of providing special services in and for such Area" adopted November 13, 2007, and pursuant to said Ordinance and to the provisions of the Special Service Area Tax Law of the State of Illinois (the "**Act**"), The County of Lake, Illinois (the "**County**") is authorized to issue its bonds, the principal and interest of which are payable from special taxes levied against the taxable property located in the Special Service Area.

WHEREAS, no petition was filed opposing the creation of the Special Service Area or the levy of taxes or issuance of bonds pursuant to Section 9 of the Act.

WHEREAS, it is in the judgment of the County Board of the County necessary and for the best interests of the County and the Special Service Area to remove existing septic systems, construct and install a sanitary sewer collection system and provide restoration work (the "**Project**") and the County issue bonds payable from taxes levied against the real estate within the Special Service Area to pay the costs thereof.

WHEREAS, the total estimate of cost for said improvements and costs of issuance is not less than $_____.

WHEREAS, it is in the best interests of the County and the Special Service Area that said $_____ be borrowed for the purposes aforesaid and in evidence thereof, bonds of the County payable from special taxes levied against all taxable real estate within said Special Service Area be issued.

WHEREAS, the question of the establishment of the area hereinafter described as a special service area was considered by the County Board at a hearing held on August 1, 2007, pursuant to notices duly published in the News-Sun and the Daily Herald, newspapers of general circulation in the County, at least fifteen (15) days prior to the hearing and pursuant to notice by mail directed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land included in the special service area, said notice being mailed not less than ten (10) days prior to the time set for hearing and said notice conforming in all respects to the Act. Certificates of publication of said notices and an affidavit of mailing of said notice being duly filed with the County Clerk's office.

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

Section 1. Authorization. It is hereby found and determined that the County Board is authorized by 35 ILCS 235/1 to 235/11 to issue bonds of Special Service Area Number Thirteen of the County in the aggregate amount not to exceed $_____ for paying part of the cost of public improvements in Special Service Area Number Thirteen to serve the inhabitants of the County.

Section 2. Bond Details. There be borrowed on the credit of and for and on behalf of The County of Lake, Illinois, Special Service Area Number Thirteen the sum of $_____ for the purposes aforesaid; that bonds of Special Service Area Number Thirteen of the County shall be issued in up to said amount in two series and shall be designated "Special Tax Bonds, Series 2007A (Spencer Highlands/Elmcrest Subdivision) (the "**Series 2007A Bonds**") and "Taxable Special Tax Bonds, Series 2007B (Spencer Highlands/Elmcrest Subdivision) (the "**Series 2007B Bonds**") (collectively, the Series 2007A Bonds and the Series 2007B Bonds, the "**Bonds**"), the Bonds shall be dated December 1, 2007 (or as otherwise provided in the Bond Order of the County as set forth in Section 5 hereof), and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of $5,000 each and integral multiples thereof, shall be numbered 1 and upward, and the Bonds shall become due and payable serially, subject to the right of prior redemption hereinafter set forth, on December 15 of the years, in the amounts and bearing interest per annum (or as otherwise set forth in the Bond Order, as defined in Section 5, herein) as follows:

Series 2007A Bonds

Year of Maturity	Principal Amount	Rate of Interest
2008	$_____	%
2009	$_____	%
2010	$_____	%
2011	$_____	%
2012	$_____	%
2013	$_____	%
2014	$_____	%
2015	$_____	%
2016	$_____	%
2017	$_____	%
2018	$_____	%
2019	$_____	%
2020	$_____	%

Year of Maturity	Principal Amount	Rate of Interest
2021	$_____	%
2022	$_____	%
2023	$_____	%
2024	$_____	%
2025	$_____	%
2026	$_____	%
2027	$_____	%

Series 2007B Bonds

Year of Maturity	Principal Amount	Rate of Interest
2008	$_____	%
2009	$_____	%
2010	$_____	%
2011	$_____	%
2012	$_____	%

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 on the fifteenth day of June and December of each year, commencing on December 15, 2008. So long as the Bonds are held in book-entry form as hereinafter more specifically set forth, interest on each Bond shall be paid to the Depository of record as the registered owner the applicable record date by check or draft or electronic funds transfer as may be agreed by the County Treasurer, the Bond Registrar and the Depository. "Depository" means The Depository Trust Company, New York, New York, its successors, or a successor depository qualified to clear securities under applicable state and federal laws. In the event the Bonds should ever become available in physical form to registered owners other than the Depository,

interest on each Bond shall be paid by check or draft of a financial institution to be named by the County in the Bond Order as provided for in Section 5 hereof (the "**Paying Agent**" and "**Bond Registrar**"), payable in lawful money of the United States of America, mailed to the person in whose name such Bond is registered at the close of business on the 1st day of the month of the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent.

The Bonds shall be initially issued in the form of a separate single fully registered Bond for such maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register therefor in the name of Cede & Co., or any successor thereto, as nominee of the Depository. All of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of Cede & Co., as nominee of the Depository. The County Treasurer or any Designated Officer is authorized to execute and deliver on behalf of the County a Representation Letter. Without limiting the generality of the authority given to the Designated Officers with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interest therein, (c) redemption notices or procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of the Depository, the County and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institutions for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "**Depository Participant**") or to any person on

behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the County and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, or any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository 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 principal of or interest on the Bonds.

No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the last day of the month preceding the applicable interest payment date, the name "Cede & Co." in this Ordinance shall refer to such new nominee of the Depository.

In the event that (a) the County determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the County, the Bond Registrar and the Depository evidenced by the Representation Letter shall be terminated for any reason, or (c) the County determined 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 the Depository and the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond

Register in the name of Cede & Co., as nominee of the Depository. The County may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a 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 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 hereof. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Depository, 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 manner provided in the Representation Letter.

In the event that the Bonds ever become generally registerable, as aforesaid, any Designated Officer may, in his or her discretion at such time, designate a bank with trust powers or trust company, duly authorized to do business as a bond registrar, paying agent, or both, to act in one or both such capacities hereunder, in the event that the Designated Officers shall determine it to be advisable. Notice shall be given to the registered owners of any such designation in the same manner, as near as may be practicable, as for a notice of redemption of Bonds, and as if the date of such successor taking up its duties were the redemption date.

The Bonds are subject to redemption prior to their maturity, at the option of the County, in whole or in part, on any date as set forth in the Bond Order as provided in Section 5 hereof, in any order of maturity as determined by the County and within any maturity by lot determined by the Bond Registrar, at a redemption price of par plus accrued interest to the date fixed for redemption.

The County shall, at least forty-five (45) days prior to the 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 of the Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, and in the event there is more than one (1) registered owner of a given maturity to be redeemed, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Bond Registrar, by lot from the outstanding Bonds of the maturity or maturities selected, by such method 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 and integral multiple in excess of $5,000 thereof, or $5,000 and integral multiple of $5,000 in excess thereof portion of a Bond shall be as likely to be called for redemption as any other such $5,000 Bond and integral multiple in excess of $5,000 thereof or $100,000 or integral multiple of $5,000 in excess thereof portion.

Notice of any such redemption shall be given by the Bond Registrar on behalf of the County by mailing the redemption notice by first class mail not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Registrar or at such other address as is furnished in writing by such registered owners to the Bond Registrar. Failure to give such notice by mail to any registered owner of the Bonds (or portion thereof, or any defect therein shall not affect the validity of any proceedings for the redemption of other Bonds (or portions thereof).

All notices of redemption shall include at least the information as follows:

(1) the redemption date;

(2) the redemption price;

(3) a statement 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; and

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

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.

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. 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 owner 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, and premium, if any, 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 canceled and destroyed by the Bond Registrar and shall not be reissued.

The Bonds shall be signed by the manual or facsimile signatures of the Chairman and County Clerk of the County, and the seal of the County shall be affixed thereto or printed thereon, and in case any officer whose signature shall appear on any Bond shall cease to be such

officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

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

Section 3. Registration of Bonds; Persons Treated as Owners. 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 office of the Bond Registrar, which is hereby constituted and appointed the registrar of the County. The County is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the County for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the office by 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 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 Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bonds in the denominations of $5,000 and authorized integral multiples of $5,000 in excess thereof upon surrender of those Bonds at the 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 execution by the County of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements. The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the last day of the month preceding an interest payment date on the Bonds to 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 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 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.

Section 4. Form of Bond. The Bonds shall be prepared in compliance with the National Standard Specifications for Fully Registered Municipal Securities prepared by the American National Standards Institute and shall be in substantially the following form; provided, however, that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph (2) and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs (7) through the last paragraph shall be inserted immediately after paragraph (1), and with appropriate additions and deletions as may pertain to each Series 2007A Bond and Series 2007B Bond:

(Form of Bond - Front Side)

REGISTERED
NO. __

REGISTERED
$_____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

THE COUNTY OF LAKE, ILLINOIS

SPECIAL SERVICE AREA NUMBER THIRTEEN

[TAXABLE]
SPECIAL TAX BONDS, SERIES 2007[A] [B]
(SPENCER HIGHLANDS/ELMCREST SUBDIVISIONS)

: See Reverse Side:
: for Additional :
: Provisions :

Interest	Maturity	Dated	[CUSIP:
Rate: ____%	Date: December 15, ____	Date: _____, ____	_____]

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS ($_____)

(1) **KNOW ALL PERSONS BY THESE PRESENTS**, that The County of Lake, 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, subject to the right of prior redemption as hereinafter set forth, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest

Rate per annum set forth above on June 15 and December 15 of each year commencing December 1, 2008, until said Principal Amount is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity are and become applicable hereto. Principal of this Bond is payable in lawful money of the United States of America at the principal office of _____, _____, _____, as paying agent (the "**Paying Agent**"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the County maintained by _____, _____, _____ (the "**Bond Registrar**"), at the close of business on the last day of the month preceding each interest payment date and shall be paid by check or draft of the Paying Agent, payable 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, or as otherwise agreed by the County and Cede & Co., as nominee, or its successor for so long as this Bond is held by The Depository Trust Company, New York, New York, the Depository, or such nominee, in book-entry only form as provided for same. For the prompt payment of this Bond, both principal and interest, a special tax levied by the County within the Special Service Area Number Thirteen of the County is hereby irrevocably pledged. **[Language concerning Bank Qualification]**

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

(3) It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law;

that the indebtedness of the County and The County of Lake, Illinois Special Service Area Number Thirteen thereof, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a special tax in addition to all other taxes, on all the taxable property in The County of Lake, Illinois, Special Service Area Number Thirteen sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

(4) The principal of and interest on this Bond are payable from a special tax levied against the taxable property located in The County of Lake, Illinois, Special Service Area Number Thirteen and this Bond does not constitute an indebtedness of The County of Lake, Illinois. The lien and foreclosure remedies provided in Article 9 of the Illinois Municipal Code shall apply upon non-payment of the special tax.

(5) 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.

(6) **IN WITNESS WHEREOF**, The County of Lake County, Illinois, by its County Board, has caused this Bond to be signed by the duly authorized facsimile or manual signatures of the Chairman of the County Board and County Clerk of the County, and has caused the seal of the County to be affixed hereto or printed hereon, all as of the Dated Date identified above.

_____
Chairman, County Board,
The County of Lake, Illinois

_____
County Clerk,
The County of Lake, Illinois

[SEAL]

Date of Authentication: _____, 2007

CERTIFICATE
OF
AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the Special Service Area Number Thirteen [Taxable] Special Tax Bonds, Series 2007[A] [B] (Spencer Highlands/Elmcrest Subdivisions), of The County of Lake, Illinois.

_____,
as Bond Registrar

By: _____(Manual Signature)_____
Authorized Officer

Bond Registrar and Paying Agent:

_____,
_____, _____

(Form of Bond - Reverse Side)

THE COUNTY OF LAKE, ILLINOIS

SPECIAL SERVICE AREA NUMBER THIRTEEN

[TAXABLE]
SPECIAL TAX BOND, SERIES 2007[A] [B]
(SPENCER HIGHLANDS/ELMCREST SUBDIVISIONS)

(7) This Bond is one of a series of Bonds issued by the County for the payment of part of the cost of public improvements in Special Service Area Number Thirteen to serve the inhabitants of the Spencer Highlands and Elmcrest Subdivisions located in unincorporated Lake County, Illinois, and for the payment of expenses incident thereto, pursuant to and in all respects in full compliance with the provisions of 35 ILCS 235/1 to 235/11 and in compliance with an ordinance duly passed by the County Board of the County on November 13, 2007 (the "**Ordinance**") and the Bond Order, as authorized therein, and published in all respects as by law required.

[(8) The Bonds are subject to redemption prior to their maturity, at the option of the County, in whole or in part, on any date on or after December 15, _____, in any order of maturity as determined by the County and within any maturity by lot determined by the Bond Registrar, at a price of par plus accrued interest to the date fixed for redemption.]

(9) Notice of any such redemption shall be sent by registered or certified mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to each registered owner of the Bonds 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 owners to the Bond Registrar. When so called for redemption, this Bond or appropriate portion hereof 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 within the meaning of the Bond Ordinance.

(10) This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the office of the Bond Registrar in _____, _____, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing 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.

(11) The Bonds are issued in fully registered form in the denomination of $5,000 each and authorized integral multiples thereof. This Bond may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity in the denomination of $5,000 and authorized integral multiples thereof, upon the terms set forth in the authorizing ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the last day of the month preceding an interest payment date on the Bonds to the opening of business on such interest payment date.

(12) The County, the Paying Agent and the Bond Registrar may deem and treat the registered holder 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, the Paying Agent nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

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

_____

_____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature guaranteed: _____

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

Section 5. Sale of Bonds. The Chairman of the County Board and/or the County Clerk are hereby authorized to execute a suitable agreement for the sale of the Bonds on behalf of the County. The County will adopt all other proceedings as required herein prior to the issuance of the Bonds. The Chairman of the County Board and the County Clerk of the County are given the authority to negotiate the final terms of the Bonds (including, but not limited to, maturity dates, principal amounts, series designation, dated date, purchase price, redemption terms, denominations and interest rates). Such actions, to be evidenced by a Bond Determination (the "**Bond Order**"), by the Chairman of the County Board and the County Clerk, are ratified in their entirety by this Board, so long as both series of the Bonds are in a principal amount not to exceed $3,250,000, bear interest at a rate not in excess of the greater of 5.50% per annum or 125% of the rate for the most recent date shown in the G.O. Bonds Index of average municipal bond yields as published in the most recent edition of The Bond Buyer, published in New York,

New York, at the time the contract is made for sale of the bonds, the maximum annual special tax shall not exceed $2,300 per lot or parcel, up to $260,000 annually. Speer Financial, Inc., Chicago, Illinois, is appointed Financial Advisor to the County in order to market the Bonds to potential investors. Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois, is appointed Bond Counsel. The Bonds hereby authorized shall be executed as in this ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the Treasurer of the County, and be by said Treasurer delivered as set forth in the Bond Order; it is hereby found and determined that no person holding any office of the County either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in said marketing of the Bonds.

Section 6. Tax Levy. In order to provide for the collection of a special tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within The County of Lake, Illinois, Special Service Area Number Thirteen a special 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 of Lake, Illinois, Special Service Area Number Thirteen, the following special tax, to-wit:

For the Year	A Special Tax Sufficient to Produce the Sum of:
2007	$_____ for interest up to and including _____, ____
2008	$_____ for interest and principal
2009	$_____ for interest and principal
2010	$_____ for interest and principal
2011	$_____ for interest and principal
2012	$_____ for interest and principal
2013	$_____ for interest and principal
2014	$_____ for interest and principal
2015	$_____ for interest and principal
2016	$_____ for interest and principal
2017	$_____ for interest and principal
2018	$_____ for interest and principal
2019	$_____ for interest and principal
2020	$_____ for interest and principal
2021	$_____ for interest and principal
2022	$_____ for interest and principal
2023	$_____ for interest and principal

Section 7. Filing of Ordinance. Forthwith upon this ordinance becoming effective, the County Clerk of the County is hereby directed to file a certified copy of this ordinance, which certificate shall recite that this ordinance has been passed by the County Board of the County and published, and it shall be the duty of said County Clerk to annually in and for each of the years 2007 to ____, inclusive, to spread the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the Special Service Area Number Thirteen in addition to other taxes levied by the County in each of said years, in order to raise the respective amounts aforesaid and in each of said years such special tax shall be computed, extended and collected as follows:

The Bonds shall be paid by the levy and extension of a special tax on a basis other than the assessed value of the lots, tracts and parcels in the Special Service Area, in the following manner:

A. A Special Service Area Tax roll is hereby established on the basis of the finding that all single family residential lots or parcels in the Special Service Area are similar in size or character and therefore are being benefited approximately equally by the installation of the aforesaid public sewer system notwithstanding the difference in the assessed values of the various lots and improvements thereon under the provisions of the Revenue Act of 1939, as amended. All such residential lots shall be taxed the same amount on this Special Service Area Special Tax roll as it may now exist or is hereafter lawfully amended.

B. The Special Tax Roll of Special Service Area No. Thirteen is hereby established as is set forth as follows, being the Special Tax Roll and List of Lots, Blocks, Tracts and Parcels comprising Special Service Area No. Thirteen, with the special tax hereby levied and collected equally.

THE COUNTY OF LAKE, ILLINOIS
SPECIAL SERVICE AREA NO. THIRTEEN
SPECIAL TAX ROLL
of
Legal Description of Special Service Area No. Thirteen
(Spencer Highlands / Elmcrest Subdivisions):

Spencer's Highlands, a community subdivision, being the South 690 feet of the West 420 feet of the Southeast quarter of the Southwest quarter of Section 24, together with that part of the Northeast quarter of the Northwest quarter of Section 25 lying Northwest of Bangs Lake, all in Township 44 North, Range 9, East of the Third Principal Meridian according to the plat thereof, recorded August 31, 1920, as Document 195601 in book "K" of plats page 44, Lake County, Illinois. (Except that part falling in the East half of the Northeast quarter of the Northwest quarter of Section 25 Township 44 North, Range 9 East of the Third Principal Meridian in Lake County, Illinois.) also (Except Beginning at the Northeast Corner of the West half of Lot 5 in said Spencer's Highlands Subdivision, thence East Along the South Line of Hickory Lane to the West line of said East half of the Northeast quarter of the Northwest quarter of Section 25, thence South along said West line 150 feet to the South line of said lot 5 extended East, thence West to the Southeast corner of said West half of said lot 5, thence North to the point of beginning)

Groves 1st Addition to Spencer's Highlands, a subdivision of North 200 feet of the South 890 feet of the West 420 feet in the Southeast quarter of the Southwest quarter of Section 24, Township 44 North, Range 9 East of the Third Principal Meridian, according to the plat thereof recorded June 9, 1922, as Document 212597 in Lake County, Illinois.

Groves 2nd Addition to Spencer's Highlands, a subdivision of the South 278 ½ feet of the East quarter of the Southwest quarter of the Southwest quarter of Section 24, Township 44 North, Range 9 East of the Third Principal Meridian, according to the plat thereof, recorded May 4, 1923 as Document 223551 in Lake County, Illinois.

(Unrecorded Orchard Addition to Spencer's Highlands) That part of the East 330.0 feet of the Southwest Quarter of the Southwest Quarter, also known as the East quarter of said Southwest Quarter of the Southwest Quarter also the West 16.5 feet of the North 132.0 feet of the East 346.5 feet of said Southwest Quarter of the Southwest Quarter of Section 24, Township 44 North, Range 9 East of the Third Principal Meridian, in Lake County, Illinois, (Excepting that part falling within Grove's Second Addition to Spencer's Highlands, being a subdivision of part of the East Quarter of said Southwest Quarter of the Southwest Quarter of Section 24, according to the plat thereof recorded May 4, 1923 as Document 223551 in Lake County, Illinois) also (Excepting the North 25.0 feet of said East 330.0 feet of the Southwest Quarter of the Southwest Quarter) also (Excepting any portion lying Northerly of the Southerly right of way of roadway commonly known as Lake Drive [formerly Spencer's Highlands Road] connecting from Garland Road [formerly known as Glynch Road] to Spencer's Highlands Subdivision), in Lake County, Illinois.

Elmcrest, being Cook and Paddock's Bangs Lake Subdivision, being a subdivision of parts of Sections 23, 25, and 26, in Township 44 North, Range 9, East of the Third Principal Meridian according to the plat thereof recorded October 1, 1923 as Document 230331, in Book "M" of Plats, Page 18, in Lake County, Illinois.

Property Index Numbers: [To Come]

Description of territory by Street Location and Permanent Index Number Within The County of Lake, Illinois:

***Spencer Highlands Subdivision**
****Elmcrest Subdivision**

Lot Number	PIN Number	Street Location of Property	Subdivision Name

Lot Number	PIN Number	Street Location of Property	Subdivision Name

The maximum taxes which may be annually extended by the Special Service Area Number Thirteen shall not exceed $260,000 annually. The maximum annual special tax shall not exceed $2,300 per lot or parcel. When collected, the special taxes hereby levied shall be placed to the credit of a special account in the hereinafter described Special Service Area Number Thirteen Fund known as the Bond Fund.

Section 8. Fund and Accounts. That there is hereby created and the County Treasurer shall maintain so long as any of the Bonds are outstanding a separate fund to be known as "The County of Lake, Illinois, Special Service Area Number Thirteen Fund" (the "**Fund**"). Within said Fund there are hereby created two separate accounts to be known as The County of Lake, Illinois Special Service Area Number Thirteen Special Tax Bonds, Series 2007 Project Fund" (the "**Project Fund**") and The County of Lake, Illinois, Special Service Area Number Thirteen Bond Fund" (the "**Bond Fund**").

The proceeds derived from the sale of the Bonds shall be used as follows:

(a) Accrued interest, if any, received by the County upon the sale of the Bonds shall remitted to the County Treasurer for deposit in the Bond Fund and be used to pay first interest coming due on the Bonds.

(b) Remaining funds shall be set aside in the Project Fund. A portion of said amount shall be set aside in an Expense Fund and money in said Expense Fund shall be withdrawn from time to time as needed for the payment of the fees and expenses in the issuance of the Bonds. Money in the Project Fund shall be used solely and only for paying the costs of the Project. From time to time as necessary and upon due authorization by the County Board of the County, the County Treasurer shall withdraw money from the Project Fund for the purpose of paying the cost of the Project.

Within sixty (60) days after full depletion of the Project Fund or payment of all costs of the Project, as herein referred to, the County Treasurer shall certify to the County Board the fact of such depletion and upon approval of such certification by the County Board, funds (if any) remaining in the Project Fund shall be credited by the County Treasurer to the Bond Fund to pay the principal and interest on the Bonds and the Project Fund shall be closed.

All of the moneys derived from the levies provided in Section 6 shall be deposited in the Bond Fund. All moneys deposited in the Bond Fund are hereby pledged and set aside for the sole and only purpose of paying the principal of and interest on the Bonds when and as the same became due.

Section 9. 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. The Series 2007B Bonds are being issued on a taxable basis. In addition to providing the certifications, covenants and representations contained herein the County covenants not to take any action that would cause interest on the Series 2007A Bonds to become includable in the gross income of the holders thereof for federal income tax purposes. 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:

"**Bond Counsel**" means Miller, Canfield, Paddock and Stone, P.L.C., 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 Series 2007A Bonds.

"**Code**" means the Internal Revenue Code of 1986.

"**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 the 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 Series 2007A Bonds, including underwriters' discount and legal fees.

"**De minimis Amount of Original Issue Discount or Premium**" means (a) any original issue discount or premium that does not exceed two percent of the stated redemption price at maturity of the Series 2007A Bonds plus (b) any original issue premium that is attributable exclusively to reasonable underwriter's compensation.

"**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).

"**Gross Proceeds**" means amounts in the Bond Fund and the Project Fund.

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

"**Qualified Administrative Costs of Investments**" means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions (other than a broker's commission paid on behalf of either the County or the provider of a GIC to the extent such commission exceeds the lesser of a reasonable amount or present value of annual payments equal to 0.05 percent of the weighted average amount reasonably expected to be invested each year of the term of the GIC; for this purpose, present value is computed using the taxable discount rate used to compute the commission or, if not readily ascertainable, a reasonable Taxable discount rate), but not legal and accounting fees, recordkeeping, custody and similar costs; (b) all administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund; or (c) in the case of purpose investments, costs or expenses paid directly to purchase, carry, sell or retire the investment and costs of issuing, carrying, or repaying the Series 2007A Bonds, and any placement agent fee or underwriter's discount.

"**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 (95%) 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. part 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.

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

"**Reimbursed Expenditures**" means amounts, if any, used from Sale Proceeds and investment earnings thereon to reimburse the County for an expenditure paid prior to Closing.

"**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).

"**Sale Proceeds Funds**" means the funds containing amounts derived by the sale of the Series 2007A Bonds or investment earnings thereon.

"**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 Series 2007A Bonds, the issue price as established in paragraph 5.1 hereof, including accrued interest). In the case of the Series 2007A Bonds, Yield means the yield on the Bonds.

"**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 Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

2.1. Purpose of the Series 2007A Bonds. The Series 2007A Bonds are being issued along with the Series 2007B Bonds to finance the Project 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 the preceding Section of this Ordinance.

2.2. The Project -- Binding Commitment and Timing. The County has incurred or will, within six (6) months of the Closing, incur a substantial binding obligation (not subject to contingencies within the control of the County or any member of the same Controlled Group as the County) to a third party to expend at least five percent (5%) of the Sale Proceeds on the Project. It is expected that the work of acquiring the Project and the expenditure of amounts deposited into the Project Fund will continue to proceed with due diligence through December 10, 2010 at which time it is anticipated that all Sale Proceeds and investment earnings thereon will have been spent.

The investment earnings on the Project Fund will be spent to pay costs of the Project and interest on the Bonds not later than the date set forth in the preceding paragraph, 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 Project Fund and 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 (6) months of the date earned. No proceeds of the Series 2007A Bonds will be used more than thirty (30) days after the date of issue of the Series 2007A 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.

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

2.4. Working Capital. All amounts in the Sale Proceeds Funds will be used, directly or indirectly, to finance Capital Expenditures other than the following:

(a) an amount not to exceed five percent (5%) of the Sale Proceeds for working capital expenditures directly related to Capital Expenditures financed by the Series 2007A Bonds;

(b) payments of interest on the Series 2007A Bonds for a period commencing at Closing and ending on the later of the date three (3) years after Closing or one year after the date on which the Project is Placed-in-Service;

(c) Costs of Issuance and Qualified Administrative Costs of Investments;

(d) payments of rebate or Yield Reduction Payments made to the United States under the Regulations; and

(e) principal of or interest on the Series 2007A Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon.

2.5. Consequences of Contrary Expenditure. The County acknowledges that if amounts in the Sale Proceeds Funds and investment earnings thereon are spent for non-Capital Expenditures 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. Not more than fifty percent (50%) of the Sale Proceeds and investment earnings thereon are or will be invested in investments (other than Qualified Tax Exempt Obligations) having a Yield that is substantially guaranteed for four (4) years or more. 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. The County acknowledges that any such hedge could affect the calculation of Bond Yield under the Regulations, and that the Internal Revenue Service could recalculate Bond Yield if the failure account for the hedge fails to clearly reflect the economic substance of the transaction.

3.1. Use of Proceeds. (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under the Ordinance at the time of Closing are described in the preceding Section of this Ordinance.

(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.

(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 Bonds to be paid by the County will be paid from the Project Fund.

(e) The costs of the Project will be paid from the Project Fund and no other moneys (except for investment earnings on amounts in the Project Fund) are expected to be deposited therein.

3.2. Purpose of Bond Fund. 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 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 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.

3.3. No Other Gross Proceeds. (a) Except for the Bond Fund and the Project 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 or securities that constitutes:

(i) Sale Proceeds;

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

(iii) 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);

(iv) 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;

(v) 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 (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 Bondholders or a guarantor of the bonds); or

(vi) 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 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 economic life of the Project is at least twenty (20) years. The weighted average maturity of the Bonds does not exceed _____, (__) years and does not exceed one hundred twenty percent (120%) of the average reasonably expected economic life of the 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 have been inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

4.1. 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 Bondholders. 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.

4.2. 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.

4.3. Records. The County agrees to maintain and/or retain the following records ("**Material Records**"):

1. The bound bond transcripts for the Bonds;

2. Documentation evidencing expenditure of the Gross Proceeds of the Bonds;

3. Documentation evidencing use of the property financed by the bonds by governmental persons and private users;

4. Documentation evidencing all sources of payment or security for the Bonds; and

5. Documentation pertaining to any investment of the Gross Proceeds of the Bonds (including the purchase price and sale price of all Nonpurpose Investments, SLGs subscriptions, Yield calculations for each class of investments, actual investment income received from the investment of Gross Proceeds, Guaranteed Investment Contracts, and rebate calculations, if applicable).

(a) The County agrees to keep the Material Records in a manner that ensures their complete access to the Internal Revenue Service. This may be accomplished through the maintenance of hard copies or by maintenance of the Material Records in an electronic format if the requirements of Rev. Proc. 97-22, 1977-1 C.B. 652 (or any successor thereto) are satisfied.

(b) The County agrees to keep the Material Records until the third anniversary of the final redemption date of the Bonds.

4.4. Fair Market Value; Certificates of Deposit and Investment Agreements. In making investments of Gross Proceeds, the County shall take into account prudent investment standards including the date on which moneys to be invested may be needed. The County shall provide that all amounts which constitute Gross Proceeds and any amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable in investments permitted under this Ordinance, 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; provided, however, that in the event moneys cannot be invested, other than as provided in this sentence, due to the denomination, price or availability of investments, such amounts shall be invested in an interest bearing deposit account of a bank with a Yield not less than that paid to the general public or held uninvested (but uninvested amounts shall be held to the minimum amount necessary).

For purposes of determining the purchase price of investments (for either yield restriction or rebate purposes), 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 term 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 (3) 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 (3) of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one (1) 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 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 (3) 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 paragraph (b)(xi) of this Section;

(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 issuer 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.

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

4.6. Small Issuer Exception. The County is a governmental unit that has the power to impose a tax or to cause another entity to impose a tax of general applicability that, when collected, may be used for the governmental purposes of the County. The power to impose such tax is not contingent on approval by another governmental unit; a tax of general applicability is one that is not limited to a small number of persons. The County is not subject to Control by any other governmental unit or political subdivision. None of the Series 2007A Bonds is or will be a "private activity bond" (as defined in Section 141 of the Code). Ninety-five percent (95%) or more of the Sale Proceeds will be used for local governmental activities of the County. Neither the County, any entity that issues tax-exempt bonds on behalf of the County nor any entity subject to Control by the County will issue, during the calendar year 2007, any tax-exempt bonds in an aggregate face amount in excess of $5,000,000. As used herein, (a) "tax-exempt bonds" means obligations of any kind, the interest on which is excludable from gross income of the holders or owners thereof for federal income tax purposes pursuant to Section 103 of the Code but not including "private activity bonds" (as defined in Section 141 of the Code) and (b) "aggregate face amount" means, if an issue has more than a De minimis Amount of Original Issue Discount or Premium, the issue price of the issue and otherwise means the face amount of the issue. As of the date hereof, no tax-exempt bonds or other obligations have been issued by the County, any entity that issues tax-exempt bonds on behalf of the County or any entity subject to Control by the County during the calendar year 2007. The County does not reasonably expect that it, any entity that issues tax-exempt bonds on behalf of the County or any entity subject to Control by the County (including but not limited to the County) will issue any such tax-exempt bonds or other obligations within calendar year 2007. Therefore, subject to compliance with all the terms and provisions hereof, the County is excepted from the required rebate of arbitrage profits on the Series 2007A Bonds under Section 148(f)(4)(D) of the Code and from the terms and provisions of this Ordinance that need only be complied with if the County is subject to the arbitrage rebate requirement.

5.1. Issue Price. For purposes of determining the Yield on the Series 2007A Bonds, the purchase price of the Series 2007A Bonds is equal to the first offering price at which the Purchaser sold at least ten percent of each maturity of the Series 2007A Bonds or is equal to par, plus accrued interest, if the Purchaser does not intend to resell the Series 2007A Bonds.

5.2. Yield Limits. (a) Except as provided in paragraph (b) or (c), 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 Series 2007A Bonds plus, for amounts in the Project Fund only, 1/8th of one percent.

(b) The following may be invested without Yield restriction:

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

(ii) amounts in the Rebate Fund;

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

(iv) amounts on deposit in the Project Fund prior to the earlier of three (3) years after Closing or the completion (or abandonment) of the Project;

(v) amounts in the Bond Fund to be used to pay capitalized interest on the Bonds prior to the earlier of three (3) years after Closing or the payment of all capitalized interest;

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

(vii) all amounts derived from the investment of Sale Proceeds and investment earnings thereon for a period of one (1) year from the date received.

(c) An amount not to exceed the lesser of $5,000 or five percent (5%) of the Sale Proceeds may be invested without regard to Yield restriction.

5.3. Continuing Nature of Yield Limits. Except as provided in paragraph 7.6, 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.

5.4. Federal Guarantees. Except for investments meeting the requirements of paragraph 5.2(b) hereof, 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, obligations guaranteed 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, any guarantee by the Bonneville Power Authority 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, 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). No portion of the payment of principal or interest on the Bonds or any other 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). 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).

6.1. Payment and Use Tests. (a) No more than five percent (5%) of the proceeds of the Bonds and investment earnings thereon will be used, directly or indirectly, in whole or in part, in any activity carried on by any person other than a state or local governmental unit.

(b) The payment of more than five percent (5%) of the principal of or the interest on the Bonds will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any activity carried on by any person other than a state or local governmental unit or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not 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 activity carried on by any person other than a state or local governmental unit.

(c) No more than the lesser of five percent (5%) of the proceeds of the Bonds and investment earnings thereon or $5,000,000 were used, and no more than the lesser of five percent (5%) of the Sale Proceeds of the Bonds and investment earnings thereon or $5,000,000 will be used, directly or indirectly, to make or finance loans to any persons.

(d) No user of the Project other than a state or local governmental unit will use more than five percent (5%) of such facilities, considered separately, on any basis other than the same basis as the general public; and no person other than a state or local governmental unit has been or will be a user of more than five percent (5%) of the Project as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research output contract, or (iii) any other similar arrangement, agreement or understanding, whether written or oral.

(e) The County has not and will not enter into any arrangement that conveys to a person, other than a state or local government unit, special legal entitlements to any portion of the Project that is available for use by the general public. No person, other than a state or local governmental unit, is receiving or will receive any special economic benefit from use of any portion of any Project that is not available for use by the general public.

(f) No more than the lesser of five percent (5%) of each issue of the Bonds or $5,000,000 of the proceeds of each issue of the Bonds were used, and no more than the lesser of five percent (5%) of the proceeds of the Bonds or $5,000,000 have been or will be used, to provide professional sports facilities. For purposes of this paragraph, the term "professional sports facilities" (i) means real property or related improvements used for professional sports exhibitions, games or training, regardless of whether the admission of the public or press is allowed to paid and (ii) includes any use of a facility that generates a direct or indirect monetary benefit (other than reimbursement for out-of-pocket expenses) for a person who uses such facilities for professional sport exhibitions, games or training.

6.2. U.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 the Form 8038-G (and all other required information reporting forms) in a timely manner.

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) seventy-five (75) days after the Series 2007A 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 paragraph 4.3 hereof shall not terminate until the sixth (6th) anniversary of the date the Series 2007A Bonds are fully paid and retired.

7.2. No Common Plan of Financing. Since a date that is fifteen (15) days prior to the date of sale of the Bonds by the County to the Underwriters, neither the County nor any member of the same Controlled Group as the County has sold or delivered any obligations other than the Bonds that are reasonably expected to be paid out of substantially the came 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 fifteen (15) days after the date hereof any obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. No obligation other than the Bonds were sold on the same date as the Bonds, are being issued on the date of the Closing and were or are being offered pursuant to a single offering document.

7.3. No Sale of the Project. (a) Other than as provided in the next sentence, neither the 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 Series 2007A 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 Series 2007A Bonds, provided: (A) the weighted average maturity of the Bonds financing the personal property is not greater than one hundred twenty percent (120%) 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 not be greater than twenty-five percent (25%) 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 (6) months from the date of the commingling.

(b) The County acknowledges that if Bond-financed property is sold or otherwise disposed of in a manner 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. Bank Qualification. (a) The County hereby designates each of the Series 2007A Bonds as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the County hereby certifies that (i) none of the Series 2007A Bonds will be at anytime a "private activity bond" (as defined in Section 141 of the Code) other than a "qualified 501(c)(3) bond" (as defined in Section 145 of the Code), (ii) as of the date hereof, the County has not issued any tax-exempt obligations of any kind in calendar year 2007 other than the Series 2007A Bonds nor have any tax-exempt obligations of any kind been issued on behalf of the County and (iii) not more than $10,000,000 of obligations of any kind (including the Series 2007A Bonds) issued by or on behalf of the County during calendar year 2007 will be designated for purposes of Section 265(b)(3) of the Code.

(b) The County is not subject to Control by any entity, and there are no entities subject to Control by the County.

(c) On the date hereof, the County does not reasonably anticipate that for calendar year 2007 it will issue any Section 265 Tax-Exempt Obligations (other than the Series 2007A Bonds), or that any Section 265 Tax-Exempt Obligations will be issued on behalf of it. "Section 265 Tax-Exempt Obligations" are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The County will not issue or permit the issuance on behalf of it or by any entity subject to Control by the County (which may hereafter come into existence) of Section 265 Tax-Exempt Obligations (including the Series 2007A Bonds, that

exceed the aggregate amount of $10,000,000 during calendar year 2007 unless it first obtains an opinion of Bond Counsel to the effect that such issuance will not adversely affect the treatment of the Series 2007A Bonds as "qualified tax-exempt obligations" for the purposes and within the meaning of Section 265(b)(3) of the Code.

7.5. 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. Such changes in facts or expectations might include, but are not in any respect whatsoever limited to, moneys or investments being pledged or otherwise set aside for payment of principal of or interest on the Bonds, amounts being 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) or the County entering into any agreement to maintain certain levels of types of assets for the benefit of a holder of a bond or any credit enhancement with respect to the Bonds. The County shall promptly contact Bond Counsel if such changes do occur.

7.6. Permitted Changes; Opinion of Bond Counsel. The Yield restrictions contained in paragraph 5.2 or any other restriction or covenant contained herein need not be observed or may be changed if the County receives an opinion of Bond Counsel to the effect that 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.

7.7. 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 President and Board of Trustees and the County.

7.8. Expectations. The President and Board of Trustees 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 the Sale Proceeds 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 County 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 of the proceeds thereof will not cause the Series 2007A Bonds to be arbitrage bonds and to assure that the interest in the Series 2007A 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 Series 2007A 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 10. Not Private Activity Bonds. In support of its conclusion that none of the Series 2007A Bonds is a "private activity bond" as defined in Section 141(a) of the Code, the County covenants, represents, and certifies as follows:

(a) none of the proceeds of the Series 2007A Bonds are to be used, directly or indirectly, in any trade or business carried on by any person other than a state or local governmental unit;

(b) no direct or indirect payments of the principal or interest are to be made on any Series 2007A Bond with respect to any private business use by any person other than a state or local governmental unit;

(c) none of the proceeds of the Series 2007A Bonds are to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit; and

(d) no user of any property or equipment acquired as part of the Project, and paid for with proceeds of the Series 2007A Bonds, other than the County, will use the same on any basis other than the same basis as the general public; and no person other than the County will be a user of any property or equipment acquired as part of the Project, and paid for with proceeds of the Series 2007A Bonds, as a result of (i) ownership or (ii) actual or beneficial use pursuant to a lease, a management or incentive payment contract, or (iii) any other similar arrangement.

Section 11. Further Covenants and Representations Regarding Tax Exempt Status. The County agrees to comply with all provisions of the Code, which if not complied with by the County, would cause the interest on the Series 2007A Bonds not to be tax exempt in the hands of a holder who is a natural person.

Section 12. 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 is 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.

Section 13. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 14. Duties of Bond Registrar. If requested by the Bond Registrar, the County Board Chairman and 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 canceled 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 15. Approval of Intergovernmental Agreement. The form of Intergovernmental Agreement between the county and the Village of Wauconda, Lake County, Illinois, in connection with the issuance of the Bonds and the provision of the Special Services before this County Board is hereby approved, with such amendments as shall be approved by the County Officers executing the same.

Section 16. Severability. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

Section 17. [Designation. The County hereby designates the Bonds to be qualified tax-exempt obligations pursuant to Section 265(b)(3)(B)(ii) of the Code.]

Section 18. Repeal and Effective Date. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed and this ordinance shall be in full force and effect forthwith upon its passage and publication as provided by law.

Passed by the County Board of The County of Lake, Illinois, this 13th day of November, 2007, pursuant to a roll call vote as follows:

AYES: _____

_____

NAYS: _____

_____

_____
Chairman, County Board

_____
County Clerk

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

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

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

and the following County Board Members voted **NAY:** _____

Whereupon the Chairman of the County Board 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 full in the records of the County Board of The County of Lake, Illinois, which was done.

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

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

_____

County Clerk

STATE OF ILLINOIS)
) **SS**
COUNTY OF LAKE)

CERTIFICATION OF MINUTES AND PUBLICATION IN PAMPHLET FORM

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

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 13th day of November, 2007, insofar as the same relates to the adoption of an Ordinance entitled:

> **AN ORDINANCE** providing for the issuance of Special Service Area Number Thirteen Special Tax Bonds, Series 2007A (Spencer Highlands/Elmcrest Subdivisions) and Taxable Special Tax Bonds, Series 2007B (Spencer Highlands/Elmcrest Subdivisions) of The County of Lake, Illinois, and for the levy of a special 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 at 8:00 a.m. on the 14th day of November, 2007, there was published in pamphlet form, by authority of the County Board, a true, correct and complete copy of the Ordinance and that the Ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as County Clerk located in the County.

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 principal office of the County Board at least forty-eight (48) hours in advance of the holding of such meeting and 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 that the County has complied with all of the provisions of said Act and with all of the procedural rules of the County Board.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of the County, this _____ day of November, 2007.

_____
County Clerk

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of Lake County, Illinois, and as such official I do further certify that on the _____ day of November, 2007, there was filed in my office a duly certified copy of an Ordinance entitled:

> **AN ORDINANCE** providing for the issuance of Special Service Area Number Thirteen Special Tax Bonds, Series 2007A (Spencer Highlands/Elmcrest Subdivisions) and Taxable Special Tax Bonds, Series 2007B (Spencer Highlands/Elmcrest Subdivisions) of The County of Lake, Illinois, and for the levy of a special tax sufficient to pay the principal and interest on said bonds.

duly adopted by the County Board of The County of Lake, Illinois, on the 13th day of November, 2007, 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 November, 2007.

_____
County Clerk of Lake County, Illinois

(SEAL)

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