REPORT OF THE COMMITTEE ON FINANCE

JUNE 18, 2013

PUBLIC HEARING

The Honorable,
The Board of Commissioners of Cook County

SECTION 1

ATTENDANCE

Present: Chairman Daley, Commissioners Collins, Gainer, Garcia, Gorman, Goslin, Moore, Murphy, Reyes, Schneider, Silvestri, Steele and Suffredin (13)

Absent: Vice Chairman Sims, Commissioners Butler, Fritchey and Tobolski (4)

Also Present: John Cooke – Director of Office of Capital Planning and Policy; Ivan Samstein – Chief Financial Officer, Bureau of Finance; Patrick Driscoll, Jr. – Deputy State's Attorney and Chief, Civil Actions Bureau.

Court Reporter: Anthony W. Lisanti, C.S.R.

Ladies and Gentlemen:

Your Committee on Finance of the Board of Commissioners of Cook County met pursuant to published notice for a Public Hearing on Tuesday, June 18, 2013 at the hour of 9:00 A.M. in the Board Room, Room 569, County Building, 118 North Clark Street, Chicago, Illinois.

Chairman Daley asked the Secretary of the Board to call upon the registered public speaker, in accordance with Cook County Code, Sec. 2-107(dd).

1. George Blakemore, Concerned Citizen

Your Committee has considered the following item, and upon adoption of this report, the recommendation is as follows:

323663 **AN ORDINANCE PROVIDING FOR THE ISSUANCE OF SALES TAX REVENUE BONDS OF THE COUNTY OF COOK, ILLINOIS IN ONE OR MORE SERIES; THE APPROVAL, EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL INDENTURE; AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF SUCH SALES TAX REVENUE BONDS (PROPOSED ORDINANCE).** Transmitting a Communication from, Ivan Samstein, Chief Financial Officer, Bureau of Finance respectfully submitting a Proposed Ordinance providing for the issuance of Sales Tax Revenue Bonds. Submitting a Proposed Ordinance sponsored by Toni Preckwinkle, President, Cook County Board of Commissioners.

PROPOSED ORDINANCE

An Ordinance providing for the issuance of Sales Tax Revenue Bonds of the County of Cook, Illinois in one or more series; the approval, execution and delivery of a Second Supplemental Indenture; and providing for other matters in connection with the issuance of such Sales Tax Revenue Bonds.

WHEREAS, pursuant to Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the "Illinois Constitution"), the County of Cook, Illinois (the "County") is a home rule unit of local government and as such may exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt; and

WHEREAS, the County may also exercise powers relating to the power to tax and to incur debt pursuant to the Counties Code, as supplemented and amended by the Local Government Debt Reform Act of the State of Illinois (collectively, the "Act"); and

WHEREAS, the Board of Commissioners of the County (the "Corporate Authorities") has not adopted any ordinance, resolution, order or motion or provided any County Code provisions which restrict or limit the exercise of the home rule powers of the County in the issuance of sales tax revenue bonds for corporate purposes or which otherwise provide any special rules or procedures for the exercise of such powers; and

WHEREAS, pursuant to the ordinance duly adopted by the Corporate Authorities on July 24, 2012, the County duly authorized and approved that certain Master Trust Indenture, dated as of August 1, 2012 (the "Master Indenture"), between the County and The Bank of New York Mellon Trust Company, N.A. (the "Trustee") which provides that the County may issue bonds authenticated and delivered under and pursuant to the Master Indenture (the "Bonds") for the purpose of financing costs of Projects (as defined in the Master Indenture) and paying costs related to the issuance of the Bonds; and

WHEREAS, the Master Indenture further provides that the Bonds shall be designated "Sales Tax Revenue Bonds," shall include such further appropriate designations as the County may determine, and may be issued in one or more Series (as defined in the Master Indenture) with each Bond bearing upon its face the designation determined for its Series; and

WHEREAS, pursuant to the Master Indenture and that certain First Supplemental Trust Indenture, dated as of August 1, 2012 (the "First Supplemental Indenture"), between the County and the Trustee, the County has previously issued its Sales Tax Revenue Bonds, Series 2012 (the "Series 2012 Bonds") in the aggregate principal amount of $90,000,000 for the purpose of financing costs of Projects; and

WHEREAS, as pertains to Cook County government and affairs, and as in the interests of the public health, safety, and welfare of the inhabitants of the County, it is necessary, prudent, or advisable that the County provide financing for various projects and purposes for the benefit of the County and its residents, including, but not limited to, the construction, equipping, altering or repair of various County facilities, including administrative offices, hospitals and health care facilities, correctional facilities, courthouses, and fleet management facilities or for any other

lawful projects under the Master Indenture (collectively, the "Series 2013 Projects"); and

WHEREAS, the specific components of the construction, equipping, altering and repair of various County facilities and of any other lawful projects, initially constituting the Series 2013 Projects shall be as set forth on Exhibit A to this Ordinance and the Series 2013 Projects relating to each Series of Bonds shall be specified in the Bond Order pursuant to Section 3(d) of this Ordinance; and

WHEREAS, the aggregate costs of the Series 2013 Projects are estimated to be not more than Thirty-Eight Million Dollars ($38,000,000); and

WHEREAS, the Corporate Authorities have determined that it is advisable or necessary to authorize the issuance of one or more Series of Bonds for the following purposes: (i) paying all or a portion of the costs of each of the Series 2013 Projects; (ii) capitalizing interest payable on one or more Series of Bonds to the extent determined to be necessary as provided herein; (iii) funding a debt service reserve fund for one or more Series of Bonds to the extent determined to be necessary as provided herein; and (iv) paying the expenses of issuing the Bonds; and

WHEREAS, the Corporate Authorities have determined that it is advisable or necessary that one or more Series of the Bonds be issued as "qualified energy conservation bonds" ("Qualified Energy Conservation Bonds") under Sections 54A, 54D or 6431 of the Internal Revenue Code of 1986, as amended (the "Code") and IRS Notices 2009-29, 2010-35 and 2012-44, which, subject to compliance with certain conditions, would be eligible for a direct payment by the United States Treasury (the "Treasury") to the County of a portion of the interest on such bonds ("Direct Payments"), provided, however, that with respect to any Series of Bonds issued as Qualified Energy Conservation Bonds to finance any Series 2013 Projects, any such portions of the Series 2013 Projects shall be completed by the County for "qualified conservation purposes" as defined in Section 54D of the Code; and

WHEREAS, the County, by virtue of its constitutional home rule powers and all laws applicable thereto has the power to issue the Bonds and such borrowing is for a proper public purpose and in the public interest; and

WHEREAS, the Corporate Authorities have determined that in connection with the issuance of the Bonds in one or more Series it is advisable or necessary to authorize the execution and delivery of a second supplemental trust indenture (the "Second Supplemental Indenture"), as authorized pursuant to the Master Indenture; and

WHEREAS, in connection with the issuance of the Bonds in one or more Series as Qualified Energy Conservation Bonds, the Corporate Authorities have determined that it is advisable or necessary to authorize the execution and delivery of an escrow agreement to establish a permitted sinking fund to meet the requirements of Section 54A(d)(4)(C) of the Code and to deposit legally available funds of the County from excess sales tax revenues into an account pursuant to such escrow agreement for the purpose of securing and paying the principal portion of the redemption price or final maturity payment of the Qualified Energy Conservation Bonds; and

WHEREAS, the County shall set forth the terms of the Bonds, designate the Series of the Bonds and such further appropriate designations as the County may determine, including designating the status of one or more Series of the Bonds as Qualified Energy Conservation Bonds, all as provided in the Second Supplemental Indenture.

NOW, THEREFORE, BE IT ORDAINED, by the Board of Commissioners of the County of Cook, Illinois, as follows:

Sec. 1. Findings.

The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are full, true and correct and do hereby incorporate them into this Ordinance by this reference. It is hereby found and determined that the Corporate Authorities are authorized by law to issue the Bonds in one or more Series to pay the costs of the Series 2013 Projects. It is hereby found and determined that such borrowing of money pertains to the government and affairs of the County, is necessary, prudent, or advisable for the public health, safety, and welfare, is for a proper public purpose or purposes and is in the public interest, and is authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive. The issuance of the Bonds is authorized by the Illinois Constitution and the Act and the Bonds shall be issued pursuant to the Illinois Constitution and the Act.

Sec. 2. Issuance of the Bonds.

(a) There shall be authorized the issuance of the Bonds in one or more Series in the aggregate principal amount of not to exceed Thirty-Eight Million Dollars ($38,000,000), plus an amount equal to the amount of any original issue discount used in the marketing of the Bonds (not to exceed ten percent (10%) of the principal amount thereof) for the purposes described in the preambles to this Ordinance. The Bonds may be issued from time to time in one or more Series designations, in said aggregate principal amount, or such lesser aggregate principal amount as may be determined by the Chief Financial Officer (it being hereby expressly provided that in the event of a vacancy in the office of Chief Financial Officer or the absence or temporary or permanent incapacity of the Chief Financial Officer, the officer so designated by the President shall be authorized to act in the capacity of the Chief Financial Officer for all purposes of this Ordinance). Each Series of Bonds shall be designated "Sales Tax Revenue Bonds, Series 2013", with such additions, modifications or revisions as shall be determined to be necessary by the Chief Financial Officer at the time of the sale and having any other authorized features determined by the Chief Financial Officer as desirable to be reflected in the title of the Bonds.

(b) The Bonds shall be issued and secured pursuant to the terms and provisions of the Master Indenture and the Second Supplemental Indenture, but within the limitations prescribed in this Ordinance. The Second Supplemental Indenture will be entered into between the County and the Trustee (or such other trustee as shall be selected by the President or the Chief Financial Officer, having its corporate trust office located within the County). The President and the Chief Financial Officer are each hereby authorized to execute and deliver the Second Supplemental Indenture on behalf of the County, such Second Supplemental Indenture to be in substantially the form attached hereto as Exhibit B, and made a part hereof and hereby approved with such changes therein as shall be approved by the President or Chief Financial Officer executing the same (including such changes as necessary to reflect each Series of

Bonds, the related Series 2013 Projects and the status of the Bonds as Qualified Energy Conservation Bonds), with such execution to constitute conclusive evidence of their approval and the Corporate Authorities' approval of any changes or revisions therein from the form attached hereto. All capitalized terms used in this Ordinance without definition shall have the meanings assigned to such terms in the Master Indenture, or the Second Supplemental Indenture. The President and the Chief Financial Officer are each hereby authorized to act as an Authorized Officer for the purposes provided in the Master Indenture and the Second Supplemental Indenture.

(c) The Bonds shall be executed by the officers of the County and prepared in the form as provided in the Second Supplemental Indenture, with such changes therein as shall be approved by the President or the Chief Financial Officer executing the same, with such execution to constitute conclusive evidence of their approval and the Corporate Authorities' approval of any changes or revisions therein from the form attached thereto.

(d) The principal of the Bonds shall become due and payable on or before the later of: (i) July 1, 2040 or (ii) the date which is 27 years after the date of issuance of the Bonds. The Bonds shall be dated no earlier than July 1, 2013 and not later than the date of issuance thereof, as shall be provided in the Second Supplemental Indenture (any such date for any Bonds being the "Dated Date"). The Bonds that are Current Interest Bonds shall bear interest at a rate or rates not to exceed seven percent (7%) per annum as determined by the Chief Financial Officer at the time of the sale thereof. The Bonds that are Capital Appreciation Bonds or Capital Appreciation and Income Bonds shall have yields to maturity (as defined below) not to exceed seven percent (7%) per annum as determined by the Chief Financial Officer at the time of the sale thereof. Each Bond that is a Capital Appreciation Bond or a Capital Appreciation and Income Bond shall bear interest from its date at the rate per annum compounded semiannually on each May 15 and November 15, commencing on such May 15 or November 15 as determined by the Chief Financial Officer at the time of sale thereof that will produce the yield to maturity identified therein until the maturity date thereof (the "Yield to Maturity"). Interest on the Bonds that are Capital Appreciation Bonds shall be payable only at the respective maturity dates thereof. Interest on the Bonds that are Capital Appreciation and Interest Bonds shall be payable only on Interest Payment Dates occurring after the Interest Commencement Date.

(e) Each Series of Bonds may be issued as fixed rate or variable rate Bonds as provided in the Second Supplemental Indenture, all as determined by the Chief Financial Officer at the time of the sale thereof. Interest rates on variable rate Bonds shall be established as provided in the definition of Variable Rate Bonds in the Master Trust Indenture and specified Bonds issued as Variable Rate Bonds may bear interest at rates that differ from the rates borne by other Bonds issued as Variable Rate Bonds and may have different optional and mandatory tender and purchase provisions. Any Bond that initially bears interest at a Variable Rate may thereafter bear such other interest rate or rates as may be established in accordance with the provisions of the related supplemental indenture.

(f) The Bonds shall be redeemable prior to maturity, in whole or in part on such dates, at such times and at such redemption prices (to be expressed as a percentage of the principal amount of Bonds that are Current Interest Bonds being redeemed and expressed as a percentage of the Accreted Amount of Bonds that are Capital Appreciation Bonds being redeemed) not to exceed one hundred three percent (103%), plus, in the case of Bonds that are

Current Interest Bonds, accrued interest to the date of redemption, all as shall be determined by the Chief Financial Officer at the time of the sale thereof. Certain of the Bonds may be made subject to sinking fund redemption, at par and accrued interest to the date fixed for redemption, as determined by the Chief Financial Officer at the time of the sale thereof; *provided* that the Bonds shall reach final maturity not later than the date set forth in Section 2(d) hereof.

The Bonds that are designated as Qualified Energy Conservation Bonds may contain such terms and conditions as shall be determined by the President or Chief Financial Officer to be necessary or desirable in connection with the issuance of such Bonds as Qualified Energy Conservation Bonds, including without limitation: (i) such Bonds may also be subject to redemption, either on a mandatory basis or at the option of the County, in connection with such events as provided in the Second Supplemental Indenture and for such amounts as determined by the Chief Financial Officer at the time of the sale thereof; notwithstanding any inconsistent provisions regarding redemption contained in existing authorization for such Bonds; (ii) such Bonds may also be subject to redemption prior to maturity as a result of the occurrence of any determination by the Chief Financial Officer that (A) a change has occurred in Sections 54A, 54D or 6431 of the Code or any other section of the Code applicable to Qualified Energy Conservation Bonds (or in the regulations promulgated under any section of the Code referred to in this clause (A)), (B) there has been any guidance published by the Internal Revenue Service or the Treasury with respect to such sections or any other determination by the Internal Revenue Service or the Treasury, pursuant to which any Direct Payment to be received by the County from the Treasury with respect to such Bonds is or shall be reduced, suspended, delayed or eliminated, or (C) any federal law is enacted, modified, amended or interpreted in a manner pursuant to which any Direct Payment to be received by the County from the Treasury with respect to such Bonds is eliminated or reduced beyond the reduction resulting from the Budget Control Act of 2011 and the American Taxpayer Relief Act of 2012; (iii) interest payable on such Bonds may be includible in the gross income of the owner thereof for Federal income tax purposes; and (iv) such Bonds may be designated to reflect the type of Qualified Energy Conservation Bond.

(g) Each Bond that is a Current Interest Bond shall bear interest (computed upon the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months) payable on the fifteenth days of May and November of each year, commencing on such May 15 and November 15 as determined by the Chief Financial Officer at the time of the sale thereof.

(h) The Bonds may be issued in either certificated or book-entry only form as determined by the Chief Financial Officer. In connection with the issuance of Bonds in book-entry only form, the Chief Financial Officer is authorized to execute and deliver a representation letter to the book-entry depository selected by the Chief Financial Officer in substantially the form previously used in connection with obligations issued by the County in book-entry form.

(i) Any Direct Payments received by the County from the Treasury as a result of any Bonds qualifying as Qualified Energy Conservation Bonds may be applied to (i) the principal of and interest on such Bonds (including the compound accreted value of any such Bonds that are capital appreciation bonds), (ii) the purchase price of such Bonds that are subject to optional or mandatory tender for purchase by the owners thereof (to the extent not otherwise provided for), (iii) such amounts as may be payable under interest rate exchange agreements related to such Bonds, (iv) amounts (other than periodic fees and expenses) payable to providers

of credit facilities, for such Bonds, (v) to the extent determined by the Chief Financial Officer to be necessary or desirable, periodic fees and expenses payable to parties involved in the provision of ongoing services relating to such Bonds or related interest rate exchange agreements and parties providing similar ongoing services, such as rating agencies, in connection with the Bonds, or (vi) any lawful public purpose of the County to the extent not in violation of or in conflict with the provisions of the Code, if applicable, other applicable laws or existing covenants or agreements, including those contained in the documents authorizing the issuance of the Bonds, as directed by the Chief Financial Officer.

Sec. 3. Sale of the Bonds; Bond Order; Financing Team; Execution of Documents Authorized; Undertakings; Offering Materials; Credit Facilities; ISDA Documents.

(a) The Chief Financial Officer is hereby authorized to sell all or any portion of the Bonds to the Underwriters described in Section 3(c) below, from time to time, and in one or more Series, on such terms as he or she may deem to be in the best interests of the County; *provided* that the Bonds shall not be sold at a purchase price that is less than ninety-eight percent (98%) of the par amount of the Bonds (but exclusive of any net original issue discount used in the marketing of the Bonds, which shall not exceed 10% of the principal amount thereof), plus accrued interest, if any, on the Bonds from their Dated Date to the date of their issuance. Nothing contained in this Ordinance shall limit the sale of the Bonds, or any maturity or maturities thereof, at a price or prices in excess of the principal amount thereof.

(b) All or any portion of one or more Series of the Bonds may be issued as (i) bonds on which the interest paid and received is excludable from the gross income of the owners thereof for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code") (except to the extent that such interest is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations) ("Tax-Exempt Bonds"); or (ii) bonds on which the interest paid and received is not excludable from the gross income of the owners thereof for federal income tax purposes under the Code ("Taxable Bonds"). The Chief Financial Officer may elect to use such title or designation as he or she shall deem appropriate to reflect the federal tax status of interest paid and received with respect to each Series of Bonds as either Tax-Exempt or Taxable. All or any portion of one or more Series of the Bonds may be issued as Qualified Energy Conservation Bonds, which, subject to compliance with certain conditions, would be eligible for a Direct Payment by the Treasury to the County of a portion of the interest on such Series of Bonds. The Chief Financial Officer may elect to use such title or designation as he or she shall deem appropriate to reflect each Series of Bonds as Qualified Energy Conservation Bonds. The President or Chief Financial Officer may (i) make any other necessary designations or elections and do such other things on behalf of the County to have all applicable provisions of the Code apply thereto, and (ii) execute such documents, agreements, certifications and tax returns as shall be necessary or desirable to establish or maintain all or any portion of the Bonds as Qualified Energy Conservation Bonds pursuant to the Code.

(c) The selection of the following party or parties in the capacity as indicated is hereby expressly approved in connection with the issuance and sale of the Bonds:

Capacity	Party or Parties
Senior Managing Underwriter	Raymond James & Associates, Inc.
Co-Managing Underwriter	Estrada Hinojosa & Company, Inc.
	The Williams Capital Group, L.P.
Bond Counsel	Ice Miller LLP
Financial Advisor	A.C. Advisory, Inc.
Underwriters' Counsel	Charity & Associates P.C.
Pension Disclosure Counsel	Ungaretti & Harris LLP
Trustee and Escrow Agent	The Bank of New York Mellon Trust Company, N.A.

(d) Subsequent to the sale of the Bonds, the Chief Financial Officer shall file in the office of the County Clerk a Bond Order, with a copy of the executed Master Indenture and the Second Supplemental Indenture each attached and directed to the Corporate Authorities identifying: (i) the aggregate principal amount of each Series of Bonds sold and the purchase price at which each Series of Bonds were sold; (ii) the principal amount of each Series of Bonds maturing and subject to mandatory redemption in each year; (iii) the redemption provisions applicable to each Series of Bonds; (iv) the interest rate or rates payable on each Series of Bonds; (v) the amount of each Series of Bonds being sold as Capital Appreciation Bonds, Capital Appreciation and Interest Bonds or Current Interest Bonds; (vi) the amount of each Series of Bonds being sold as Variable Rate Bonds; (vii) the Dated Date of the Bonds; (viii) a description of the Series 2013 Projects being financed with each Series of Bonds; (ix) the amounts to be deposited pursuant to the QECB Escrow Agreement for the purpose of funding a permitted sinking fund to be used in connection with the payment of the principal portion of the redemption price or final maturity payment for any Qualified Energy Conservation Bonds; (x) the identity of any municipal bond insurer and of any provider of a debt service reserve fund surety bond; (xi) the identity of any provider of a Credit Facility; (xii) the federal income tax status of the Bonds as either Tax-Exempt or Taxable; (xiii) the terms of any Qualified Swap Agreement, including the identify of any Swap Provider; (xiv) the identity of any remarketing agent; (xv) the information regarding the title and designation of each Series of Bonds; together with (xvi) any other matter authorized by this Ordinance to be determined by the Chief Financial Officer at the time of sale of the Bonds, and thereafter the Bonds so sold shall be duly prepared and executed in the form and manner provided herein and delivered to the respective Underwriters in accordance with the terms of sale.

(e) The President, the Chief Financial Officer or any other officer, official or employee of the County so designated by a written instrument signed by the President and the Chief Financial Officer and filed with the Trustee (a "Designated Officer") are hereby authorized to execute such documents, with appropriate revisions to reflect the terms and provisions of the Bonds as authorized by this Ordinance and such other revisions in text as the President or the Chief Financial Officer shall determine are necessary or desirable in connection with the sale of the Bonds, to effect the issuance and delivery and maintenance of the status of the Bonds, including but not limited to:

(i) the contract of purchase (the "Purchase Contract") by and between the County and the Underwriters, which Purchase Contract shall be in form acceptable to the Chief Financial Officer and as customarily entered into by the County;

(ii) the continuing disclosure undertaking (the "Continuing Disclosure Undertaking"), as approved by the Chief Financial Officer to effect compliance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, with such revisions as are deemed appropriate to reflect the issuance of the Bonds as bonds secured by Pledged Sales Tax Revenues;

(iii) an escrow agreement (the "QECB Escrow Agreement") for the purpose of establishing a permitted sinking fund to be used in connection with the payment of the principal portion of the redemption price or final maturity payment for any Qualified Energy Conservation Bonds, which QECB Escrow Agreement shall be in form acceptable to the Chief Financial Officer and as customarily entered into by the County; and

(iv) such certification, tax returns and documentation as may be required by Bond Counsel, including, specifically, a tax agreement, to render their opinion as to the Qualified Energy Conservation Bond status or Tax-Exempt status of any Bonds;

The execution thereof by such Designated Officers is hereby deemed conclusive evidence of approval thereof with such changes, additions, insertions, omissions or deletions as such officers may determine, with no further official action of or direction by the Corporate Authorities.

(f) When the Continuing Disclosure Undertaking is executed and delivered on behalf of the County, it will be binding on the County and the officers, agents, and employees of the County, and the same are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Continuing Disclosure Undertaking as executed and delivered. Notwithstanding any other provisions hereof, the sole remedies for failure to comply with any Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause to the County to comply with its obligations thereunder.

(g) The preparation, use and distribution of a preliminary official statement and an official statement relating to the sale and issuance of the Bonds are hereby authorized and approved. The President and Chief Financial Officer are each hereby authorized to execute and deliver an official statement relating to the sale and issuance of the Bonds on behalf of the County, in substantially the form previously used by the County with such revisions as the President or the Chief Financial Officer shall determine are necessary or required in connection with the sale of the Bonds.

(h) In connection with the sale of the Bonds, if determined by the President or the Chief Financial Officer to be in the best financial interest of the County, the Chief Financial Officer is authorized to procure one (1) or more municipal bond insurance policies covering all or a portion of the Bonds and to procure one (1) or more debt service reserve fund surety bonds for deposit into the Debt Service Reserve Subaccount for such Bonds.

(i) In connection with the sale of the Bonds, the President or the Chief Financial Officer is hereby authorized to obtain a Credit Facility with one or more financial institutions. The President or the Chief Financial Officer is hereby authorized to enter into a reimbursement agreement and to execute and issue a promissory note in connection with the provisions of each Credit Facility. Any Credit Facility and any reimbursement agreement shall be in substantially the form of the credit facilities and reimbursement agreements previously entered into by the County in connection with the sale of general obligation bonds or notes, but with such revisions in text as the President or the Chief Financial Officer shall determine are necessary or desirable, the execution thereof by the President or the Chief Financial Officer to evidence the approval by the Corporate Authorities of all such revisions. The annual fee paid to any financial institution that provides a Credit Facility shall not exceed two percent (2.00%) of the average principal amount of such Bonds outstanding during such annual period. The final form of reimbursement agreement entered into by the County with respect to the Bonds shall be attached to the Bond Order filed with the County Clerk pursuant to this Section. Any promissory or similar note delivered in connection with any such reimbursement agreement shall mature not later than the final maturity date of the Bonds and each such promissory or similar note shall bear interest at a rate not exceeding 15 (fifteen) percent per annum. The President or the Chief Financial Officer is hereby authorized to execute and deliver each such reimbursement agreement.

(j) In connection with the sale of the Bonds, the President or the Chief Financial Officer is hereby authorized to execute and deliver from time to time one or more "Qualified Swap Agreements" (as defined in the Master Indenture) with Swap Providers (as defined in the Master Indenture) selected by the Chief Financial Officer. The stated aggregate notional amount under all such agreements authorized hereunder shall not exceed the principal amount of the Bonds issued hereunder (net of offsetting transactions entered into by the County). Any such agreement to the extent practicable shall be in substantially the form of either the Local Currency - Single Jurisdiction version or the Multicurrency-Cross Border version of the 1992 ISDA Master Agreement accompanied by the U.S. Municipal Counterparty Schedule published by the International Swap Dealers Association (the *"ISDA"*) or any successor form to be published by the ISDA, and in the appropriate confirmations of transactions governed by that agreement, with such insertions, completions and modifications thereof as shall be approved by the officer of the County executing the same, his or her execution to constitute conclusive evidence of the Corporate Authorities' approval of such insertions, completions and modifications thereof. Amounts payable by the County under any such agreement (being *"Swap Payments"*) shall constitute operating expenses of the County payable from any moneys, revenues, receipts, income, assets or funds of the County available for such purpose or be payable from the sources pledged to the payment of the Bonds, as the Chief Financial Officer may from time to time determine. Such amounts shall not constitute an indebtedness of the County for which its full faith and credit is pledged. Nothing contained in this Section shall limit or restrict the authority of the President or the Chief Financial Officer to enter into similar agreements pursuant to prior or subsequent authorization of the Corporate Authorities.

(k) In connection with the sale of any Bonds issued as Variable Rate Bonds, the President or the Chief Financial Officer is hereby authorized to execute and deliver a Remarketing Agreement relating to the Bonds in substantially the form previously used for similar financings of the County, with appropriate revisions in text as the President or the Chief Financial Officer shall determine are necessary or desirable, the execution thereof by the President or the Chief Financial Officer to evidence the approval by the Corporate Authorities of all such revisions. The President or the Chief Financial Officer is hereby delegated the

authority to appoint a remarketing agent with respect to the Bonds in the manner provided in the Second Supplemental Indenture.

Sec. 4. Alternative Allocation of Proceeds of Bonds.

The County by its Corporate Authorities reserves the right, as it becomes necessary from time to time, to change the purposes of expenditure of the Bonds, to change priorities, to revise cost allocations among expenditures and to substitute projects, in order to meet current needs of the County; subject, however, to (i) the provisions of the Code and to the covenants of the County relating to the status of any Bonds as Qualified Energy Conservation Bonds, and (ii) the provisions of the Act and to the tax covenants of the County relating to the Tax-Exempt status of interest on Tax-Exempt Bonds and further subject to the provisions of the Master Indenture and the Second Supplemental Indenture regarding amendments thereto. To the extent any action of the County described in the prior sentence is proposed to be taken with respect to (i) the proceeds of Tax-Exempt Bonds, it shall be conditioned on receipt by the County of an Opinion of Bond Counsel to the effect that such action shall not cause the interest on such Bonds to become subject to federal income taxation or (ii) the proceeds of Qualified Energy Conservation Bonds, it shall be conditioned on receipt by the County of an Opinion of Bond Counsel to the extent that such action shall not affect that status of the Bonds as Qualified Energy Conservation Bonds.

Sec. 5. Reimbursement.

None of the proceeds of the Tax-Exempt Bonds or Qualified Energy Conservation Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the County prior to the date hereof except architectural, engineering costs or construction costs incurred prior to commencement of the Series 2013 Projects or expenditures for which an intent to reimburse was properly declared under Treasury Regulations Section 1.150-2. This Ordinance is in itself a declaration of official intent under Treasury Regulations Section 1.150-2 as to all costs of the Series 2013 Projects paid after the date hereof and prior to issuance of the Bonds.

Sec. 6. Tax Covenant.

With respect to any Tax-Exempt Bonds, the County covenants to take any action required by the provisions of Section 148(f) of the Code in order to assure compliance with Section 709 of the Master Indenture. With respect any Bonds designated as Qualified Energy Conservation Bonds, the County covenants to take any action required by the provisions of Sections 148(d) and 54D of the Code in order to assure compliance with Section 709 of the Master Indenture and the requirements for Qualified Energy Conservation Bonds. Nothing contained in this Ordinance shall limit the ability of the County to issue all or a portion of the Bonds as bonds the interest on which will be includable in the gross income of the owners thereof for federal income tax purposes under the Code if determined by the Chief Financial Officer to be in the best interest of the County.

Sec. 7. Performance Provisions.

The President, the Chief Financial Officer, the County Clerk, for and on behalf of the County shall be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the County under and pursuant to this Ordinance, the Master Indenture, and the Second Supplemental Indenture, and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance, the Master Indenture, and the Second Supplemental Indenture, including but not limited to, the exercise following the delivery date of any of the Bonds of any power or authority delegated to such official of the County under this Ordinance with respect to such Bonds upon the initial issuance thereof, but subject to any limitations on or restrictions of such power or authority as herein set forth. The President, the Chief Financial Officer, the County Clerk and other officers, agents and employees of the County are hereby further authorized, empowered and directed for and on behalf of the County, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this Ordinance, the Master Indenture and the Second Supplemental Indenture or to evidence said authority.

Sec. 8. Proxies.

The President and the Chief Financial Officer may each designate another to act as their respective proxy and to affix their respective signatures to, in the case of the President, each of Bonds, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by the President or the Chief Financial Officer pursuant to this Ordinance, the Master Indenture, and the Second Supplemental Indenture. In each case, each shall send to the County Board written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the President and the Chief Financial Officer, respectively. A written signature of the President or the Chief Financial Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with signatures attached, shall be filed with the County Clerk. When the signature of the President is placed on an instrument, certificate or document at the direction of the President in the specified manner, the same, in all respects, shall be as binding on the County as if signed by the President in person. When the signature of the Chief Financial Officer is so affixed to an instrument, certificate or document at the direction of the Chief Financial Officer, the same, in all respects, shall be binding on the County as if signed by the Chief Financial Officer in person.

Sec. 9. This Ordinance a Contract.

The provisions of this Ordinance shall constitute a contract between the County and the registered owners of the Bonds, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided. This Ordinance shall be construed in accordance with the provisions of State law without reference to its conflict of law principles.

Sec. 10. Prior Inconsistent Proceedings.

All Ordinances, Resolutions, motions or orders, or parts thereof, in conflict with the provisions of this Ordinance, are to the extent of such conflict hereby repealed.

Sec. 11. Immunity of Officers and Employees of County.

No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Ordinance contained against any past, present or future elected or appointed officer, director, member, employee or agent of the County, or of any successor public corporation, as such, either directly or through the County or any successor public corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such elected or appointed officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the passage of this Ordinance and the issuance of such Bonds.

Sec. 12. Passage and Approval.

Presented, Passed, Approved and Recorded by the County of Cook, Illinois, a home rule unit of government, this 19th day of June, 2013.

Sec. 13. Effective Date.

This Ordinance shall take effect immediately upon its enactment.

Exhibits "A" and "B" referred to in this Ordinance read as follows:

Exhibit A: Description of Series 2013 Projects
Exhibit B: Second Supplemental Trust Indenture

EXHIBIT A

Description of Series 2013 Projects

Fiscal Year	Project Name	Estimated Cost	Project Scop
2013	Guaranteed Energy Performance Contracting Projects		
	Department of Corrections and Juvenile Temporary Detention Center	$34,228,060.00	Provides en services for measures.
	Stroger Hospital of Cook County Campus	26,497,854.00	Provides en services for measures.
	Technology Solutions and Services	6,000,000.00	Mainframe C
	Technology Upgrades	250,000.00	Upgrades to c
	Web Hosting	200,000.00	Web Hosting
	GPS Offender Tracking system and Radio Electronic Monitoring	746,000.00	Electronic M
	Total Amount	$67,921,914.00	

EXHIBIT B

Second Supplemental Trust Indenture

SECOND SUPPLEMENTAL TRUST INDENTURE
BETWEEN
THE COUNTY OF COOK, ILLINOIS
and
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

as Trustee

Dated as of June 1, 2013

SECURING THE COUNTY OF COOK, ILLINOIS
SALES TAX REVENUE BONDS, TAXABLE SERIES 2013
(QUALIFIED ENERGY CONSERVATION BONDS- DIRECT PAYMENT)

This SECOND SUPPLEMENTAL TRUST INDENTURE dated as of June 1, 2013 (the "*Second Supplemental Indenture*"), by and between the County of Cook, Illinois, a county and home rule unit of local government organized and existing under the laws of the State of Illinois (the "*County*"), and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, with a corporate trust office located in Chicago, Illinois as Trustee (the "*Trustee*").

WITNESSETH:

WHEREAS, by virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the "*State*"), the County is a home rule unit of local government and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the County deems it to be in the best interests of the inhabitants of the County and necessary for the welfare of the government and affairs of the County to finance the construction, equipping, altering or repair of various County facilities, including administrative offices, hospitals and health care facilities, correctional facilities, courthouses, and fleet management facilities or for any other lawful project under the Master Indenture (collectively, the *"Series 2013 Project"*), which Series 2013 Project qualifies as a "Project" (as defined in the Master Indenture); and

WHEREAS, pursuant to an ordinance duly adopted by the County Commissioners on June 19, 2013 (the "*Series 2013 Ordinance*"), the County has duly authorized the issuance of its Sales Tax Revenue Bonds in an aggregate principal amount not to exceed $38,000,000, plus an amount equal to the amount of any original issue discount used in the marketing thereof (not to exceed ten percent (10%) of the principal amount thereof) and in one or more series (the "*Series 2013 Bonds*") for the purposes of financing the Series 2013 Project and paying the expenses of issuing the Series 2013 Bonds; and

WHEREAS, the Series 2013 Bonds are to be issued under the Master Indenture and this Second Supplemental Indenture (hereinafter sometimes collectively referred to as the "*Indenture*"); and

WHEREAS, the Series 2013 Bonds will be secured by a pledge of the Pledged Sales Tax Revenues (as defined in the Master Indenture); and

WHEREAS, all things necessary: (i) to make the Series 2013 Bonds, when authenticated by the Trustee and issued as provided in the Master Indenture and this Second Supplemental Indenture, the valid, binding and legal obligations of the County according to the import thereof, and (ii) to constitute the Master Indenture, as supplemented by this Second Supplemental Indenture, a valid pledge of and grant of a lien on the Pledged Sales Tax Revenues to secure the payment of the principal of, premium, if any, and interest on the Series 2013 Bonds, have been done and performed, in due form and time, as required by law; and

WHEREAS, one or more series of the Series 2013 Bonds are being designated as "qualified energy conservation bonds" under Sections 54A, 54D or 6431 of the Internal Revenue Code of 1986, as amended (the "*Code*") and IRS Notices 2009-29, 2010-35 and 2012-44 (the "*Qualified Energy Conservation Bonds*"), which, subject to compliance with certain conditions, will be eligible for a direct payment by the Treasury of a portion of the interest payable with respect to such Series 2013 Bonds (the "*Direct Payments*"); and

WHEREAS, the execution and delivery of this Second Supplemental Indenture and the execution and issuance of the Series 2013 Bonds, subject to the terms of the Indenture, have in all respects been duly authorized.

GRANTING CLAUSES

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, and interest on the Series 2013 Bonds issued hereunder, according to the import thereof, and the performance and observance of each and every covenant and condition herein, in the Master Indenture and in the Series 2013 Bonds contained, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and the purchase and acceptance of the Series 2013 Bonds by the respective Owners (as hereinafter defined) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2013 Bonds shall be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, the County does hereby pledge and grant a lien upon the Trust Estate defined in and established under the Master Indenture to the Trustee and its successors in trust and assigns, all to the extent provided in the Indenture.

BUT IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Series 2013 Bonds issued hereunder and all Bonds (as defined in the Master Indenture) issued under and secured by the Indenture, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Bond over any other or from the others by reason of priority in the issue or negotiation thereof or by reason of the date or

dates of maturity thereof, or for any other reason whatsoever (except as expressly provided in the Indenture), so that each and all of such Bonds shall have the same right, lien and privilege under the Indenture and shall be equally secured thereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery hereof (all except as expressly provided in the Indenture, as aforesaid).

PROVIDED FURTHER, HOWEVER, that these presents are upon the condition that, if the County, or its successors, shall well and truly pay or cause to be paid, or provide for the payment of all principal, premium, if any, and interest on the Series 2013 Bonds due or to become due thereon, at the times and in the manner stipulated therein and herein, then this Second Supplemental Indenture and the rights hereby granted with respect to the Series 2013 Bonds shall cease, terminate and be void, but shall otherwise be and remain in full force.

AND IT IS HEREBY COVENANTED AND AGREED by and among the County, the Trustee and the Owners from time to time of the Series 2013 Bonds, that the terms and conditions upon which the Series 2013 Bonds are to be issued, authenticated, delivered, secured and accepted by all Persons who shall from time to time be or become the Owners thereof, and the trusts and conditions upon which the moneys and securities hereby pledged are to be held and disposed of, which trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I
DEFINITIONS

Section 101. Definitions. The following terms shall, for all purposes of this Second Supplemental Indenture, have the following meanings unless a different meaning clearly appears from the context:

"*Available Project Proceeds*" means (i) the excess of the proceeds from the sale of the Series 2013 Bonds over the issuance costs financed by the Series 2013 Bonds and (ii) the proceeds from any investment of the excess described in clause (i).

"*Available Project Proceeds Expenditure Period*" means the period ending (a) on the third anniversary of the date the Series 2013 Bonds are issued, or (b) in the event the United States Internal Revenue Service grants an extension of the three-year expenditure period, the last day of the extended expenditure period.

"*Indenture*" means the Master Indenture, as from time to time amended and supplemented, and particularly as supplemented by the Second Supplemental Indenture.

"*Master Indenture*" means the Master Trust Indenture, dated as of August 1, 2012, by and between the County and the Trustee, authorizing the issuance of Sales Tax Revenue Bonds of the County.

"*Permitted Sinking Fund Payments*" means, with respect to each of the years _____, the required deposit to the Series 2013 Bond Payment Account of the ____ Fund determined pursuant to Section 403.

"*Series 2013 Bonds*" means the Sales Tax Revenue Bonds, Taxable Series 2013, of the County, authorized by Section 201 hereof.

"*Series 2013 Costs of Issuance Account*" means the account by that name created in Section 402 hereof.

"Series 2013 Project" shall have the meaning assigned to such term in the preambles to this Indenture.

"Series 2013 Project Account" means the account established under Section 401 hereof.

"*Treasury"* means the Treasury Department of the United States of America.

"*Treasury Rate*" means, with respect to any redemption date for a particular Series 2013 Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker. For the purposes of determining the Treasury Rate, the following definitions shall apply:

"*Comparable Treasury Issue*" means, with respect to any redemption date for a particular Series 2013 Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has or have an actual or interpolated maturity comparable to the remaining life of the applicable Series 2013 Bonds to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the applicable Series 2013 Bonds to be redeemed.

"*Comparable Treasury Price*" means, with respect to any redemption date for a particular Series 2013 Bond, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Designated Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"*Designated Investment Banker*" means one of the Reference Treasury Dealers appointed by the County.

"*Reference Treasury Dealer*" means three firms, specified by the County from time to time, that are primary U.S. Government securities dealers in the [City of New York, New York] (each a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the County shall substitute another Primary Treasury Dealer.

"*Reference Treasury Dealer Quotations*" means, with respect to each Reference Treasury Dealer and any redemption date for a particular Series 2013 Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such

Reference Treasury Dealer at 2:30 p.m., Chicago time, on the third business day preceding such redemption date.

Unless otherwise specifically provided in this Second Supplemental Indenture, all terms defined in Article I of the Master Indenture shall have the same meaning in this Second Supplemental Indenture as if expressly defined herein.

Section 102. Miscellaneous Definitions. As used herein, and unless the context shall otherwise indicate, all words and terms shall include the plural as well as the singular number.

As used herein, the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Second Supplemental Indenture.

Unless the context shall otherwise indicate, references herein to articles, sections, subsections, clauses, paragraphs and other subdivisions refer to the designated articles, sections, subsections, clauses, paragraphs and other subdivisions of this Second Supplemental Indenture as originally executed. All words and terms importing the masculine gender shall, where the context requires, import the feminine gender and vice versa.

ARTICLE II
AUTHORIZATION AND ISSUANCE OF SERIES 2013 BONDS

Section 201. Authorization of Series 2013 Bonds.

(A) The total principal amount of Series 2013 Bonds that may be issued under this Second Supplemental Indenture is expressly limited to Thirty-Eight Million Dollars ($38,000,000), plus an amount equal to the amount of any original issue discount used in the marketing of the Bonds (not to exceed ten percent (10%) of the principal amount thereof) to finance the Series 2013 Project and pay costs in connection with the issuance of the Series 2013 Bonds. Such Series 2013 Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series, by the title "Sales Tax Revenue Bonds, Taxable Series 2013." Any Series 2013 Bonds issued as Qualified Energy Conservation Bonds shall further be designated as "Qualified Energy Conservation Bonds – Direct Payment" in their title.

Section 202. The Series 2013 Bonds shall be in fully registered form and shall be initially dated the date of issuance thereof.

(A) All Series 2013 Bonds shall bear interest payable on each Interest Payment Date, computed on the basis of a 360-day year consisting of twelve 30-day months.

(B) The Series 2013 Bonds shall mature on [November] 15 of each of the years and in the principal amounts and shall bear interest at the respective rates per annum set forth below:

YEAR	PRINCIPAL AMOUNT	INTEREST RATE

(C) The Series 2013 Bonds shall be in Authorized Denominations (but no single Series 2013 Bond shall represent principal maturing on more than one date) and shall be numbered consecutively but need not be authenticated or delivered in consecutive order. The

Series 2013 Bonds and the Trustee's Certificate of Authentication shall be in substantially the form set forth in Exhibit A attached hereto and by reference made a part hereof with such variations, omissions or insertions as are required or permitted by this Second Supplemental Indenture.

(D) The Principal and Redemption Price of the Series 2013 Bonds shall be payable at the designated corporate trust offices of the Trustee, in Chicago, Illinois, as Paying Agent, and at such offices of any co-Paying Agent or successor Paying Agent or Paying Agents for the Series 2013 Bonds appointed pursuant to the Indenture. The payment of interest on the Series 2013 Bonds shall be made on each Interest Payment Date to the Owners of the Series 2013 Bonds by check or draft mailed on the applicable Interest Payment Date to each Owner as such Owner appears on the Bond Register maintained by the Registrar as of the close of business on the Record Date, at his address as it appears on the Bond Register. Any Owner of any of the Series 2013 Bonds in an aggregate principal amount of at least $1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Trustee and Paying Agent, upon requesting the same in a writing received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date. To the extent not otherwise expressly provided in this Section 201, the Series 2013 Bonds shall be subject to the general terms and provisions set forth in Article III of the Master Indenture.

(E) The net proceeds of the Series 2013 Bonds upon receipt shall be deposited as follows:

(i) $_____ shall be deposited into the Series 2013 Project Account and applied pursuant to Section 503(B) of the Master Indenture; and

(ii) $_____ shall be applied by the Chief Financial Officer to the payment of the costs of issuance of the Series 2013 Bonds, and any such amounts not so applied on the date of issuance of the Series 2013 Bonds shall be deposited by the County in the Series 2013 Costs of Issuance Account and applied pursuant to Section 402(A) hereof.

Section 203. Authentication of Series 2013 Bonds. The Series 2013 Bonds shall be authenticated as set forth in the Master Indenture. The Series 2013 Bonds shall be issued only as one fully registered bond per maturity and deposited with The Depository Trust Company, New York, New York ("DTC"), who is responsible for establishing and maintaining records of ownership for its participants. In the event DTC, any successor of DTC or the County elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Series 2013 Bonds may be exchanged for an equal aggregate principal amount of the Series 2013 Bonds in other Authorized Denominations and of the same maturity upon surrender thereof at the corporate trust office of the Trustee.

Section 204. Bonds as Qualified Energy Conservation Bonds. The Series 2013 Bonds have been designated as Qualified Energy Conservation Bonds – Direct Payment, which, subject to compliance with certain conditions, will be eligible for direct payments by the Treasury to the County of the Direct Payments. Direct Payments received by the County with respect to such Series 2013 Bonds do not constitute Pledged Sales Tax Revenues for purposes of the Indenture or the Series 2013 Ordinance are not pledged to the payment of the Series 2013 Bonds and Registered Owners of the Series 2013 Bonds shall have no rights therein.

Section 205. Conditions to Issuance of Series 2013 Bonds as Additional Bonds. All conditions precedent to the issuance and purchase of Additional Bonds set forth in the Master Indenture will be satisfied simultaneously with or prior to the execution, authentication and delivery of the Series 2013 Bonds.

ARTICLE III
REDEMPTION OF BONDS

Section 301. Mandatory Sinking Fund and Optional Redemption of Series 2013 Bonds.

(A) Mandatory Sinking Fund Redemption.

The Series 2013 Bond maturing on November 15, ____ is subject to redemption prior to maturity at a Redemption Price equal to the aggregate principal amount thereof plus accrued interest thereon to the date fixed for redemption, in the respective principal amounts shown for such years in the table below:

YEAR	PRINCIPAL AMOUNT

(B) Optional Redemption.

The Series 2013 Bonds maturing on and after November 15, ____ are subject to redemption at the election or direction of the County prior to maturity in whole or in part in any order of maturity designated by the County, in integral multiples of $5,000, on any date on or after November 15, ____, at a Redemption Price equal to100% of the aggregate principal amount of the Series 2013 Bonds to be redeemed plus accrued and unpaid interest on the Series 2013 Bonds being redeemed to the date fixed for redemption.

Section 302. Extraordinary Optional Redemption of Series 2013 Bonds. Series 2013 Bonds are subject to extraordinary optional redemption prior to maturity, in whole or in part, at the option of the County, at the Extraordinary Redemption Price, upon the occurrence of an Extraordinary Event. The Extraordinary Redemption Price is equal to the greater of (A) the issue price of the Series 2013 Bonds (but not less than 100%) to be redeemed or (B) the sum of the present values of the remaining scheduled payments of principal and interest on the Series 2013 Bonds to be redeemed not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2013 Bonds are to be redeemed, discounted to the date on which the Series 2013 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 100 basis points, plus accrued interest on the Series 2013 Bonds to be redeemed to the redemption date. The County

may conclusively rely on the Treasury Rate so determined and will not be liable for such reliance.

An "Extraordinary Event" shall have occurred if the Chief Financial Officer of the County determines that a material adverse change has occurred to Section 54D or Section 6431 of the Code with respect to the Series 2013 Bonds or there is any guidance published by the Internal Revenue Service or the Treasury with respect to such sections or any other determination by the Internal Revenue Service of the Department of the Treasury, which determination is not the result of an act or omission by the County to satisfy the requirements to receive the Direct Payments, pursuant to which the Direct Payments are reduced or eliminated beyond the reduction resulting from the Budget Control Act of 2011 and the American Taxpayer Relief Act of 2012.

Section 303. Extraordinary Mandatory Redemption of Series 2013 Bonds. Series 2013 Bonds are subject to mandatory redemption in whole or in part, at a redemption price equal to the principal amount of the redeemed Series 2013 Bonds plus accrued interest to a redemption date designated by the Chief Financial Officer that is not later than 90 days after the end of the Available Project Proceeds Expenditure Period, in a principal amount equal to the unexpended Available Project Proceeds of the Series 2013 Bonds on deposit in the Series 2013 Project Account of the Project Fund as of the end of the Available Project Proceeds Expenditure Period.

Section 304. Provisions for Redemption of Series 2013 Bonds. Series 2013 Bonds shall be redeemed in accordance with the provisions and requirements of Article IV of the Master Indenture.

ARTICLE IV
REVENUES AND FUNDS

Section 401. Establishment of Series 2013 Project Account. In connection with the issuance of the Series 2013 Bonds, the County hereby establishes a separate, segregated account within the Project Fund to be known as the "Series 2013 Project Account." Proceeds of the Series 2013 Bonds shall be deposited into the Project Account as provided in Section 503(A) of the Master Indenture. Amounts on deposit in the Series 2013 Project Account shall be applied upon the written direction of an Authorized Officer to pay the costs of the Series 2013 Project and to pay the costs related to the issuance of the Series 2013 Bonds.

Section 402. Establishment of Series 2013 Costs of Issuance Account. In connection with the issuance of the Series 2013 Bonds, the County hereby establishes a separate, segregated account within the Project Fund to be known as the "Series 2013 Costs of Issuance Account." Proceeds of the Series 2013 Bonds shall be deposited into the Series 2013 Costs of Issuance Account as provided in Section 503(A) of the Master Indenture. Amounts on deposit in the Series 2013 Costs of Issuance Account shall be applied upon the written direction of an Authorized Officer to pay the costs related to the issuance of the Series 2013 Bonds.

Moneys in the Series 2013 Costs of Issuance Account shall be invested at the direction of an Authorized Officer to the fullest extent practicable in Investment Securities maturing in such amounts and at such times as may be necessary to provide funds when needed to pay the costs related to the issuance of the Series 2013 Bonds. The County may, and to the extent

required for payments from the Series 2013 Costs of Issuance Account shall, sell any such Investment Securities at any time, and the proceeds of such sale, and of all payments at maturity and upon redemption of such investments, shall be held in the Series 2013 Costs of Issuance Account. Earnings received on moneys or securities in the Series 2013 Costs of Issuance Account shall be held as a part of such Account and available for the purposes for which moneys in such Account are otherwise held. Any amounts remaining in the Series 2013 Costs of Issuance Account on [December 31, 2013] shall be transferred to the Series 2013 Project Account.

Section 403. [*Establishment of Series 2013 Bond Payment Account.*] In connection with the issuance of the Series 2013 Bonds, the County hereby establishes a separate, segregated account within the _____ Fund to be known as the "Series 2013 Bond Payment Account." The County shall provide for the deposit by _____ of the following years into the Series 2013 Bond Payment Account of the following annual amounts, subject to adjustment as provided in this Section 403, each constituting a mandatory Permitted Sinking Fund Payment for the retirement of the Series 2013 Bonds at maturity:

Year	Permitted Sinking Fund Payment

ARTICLE V
MISCELLANEOUS PROVISIONS

Section 501. Supplements and Amendments. The County and the Trustee may supplement or amend this Second Supplemental Indenture in the manner set forth in Articles X and XI of the Master Indenture.

Section 502. Effect of Master Indenture. To the extent not otherwise expressly provided for in this Second Supplemental Indenture, all terms and provisions relating to the Series 2013 Bonds, the application of the proceeds thereof, the collection and application of the Pledged Sales Tax Revenues, and the rights and obligations of the County, the Fiduciaries and the Owners of the Series 2013 Bonds shall be governed by the provisions of the Master Indenture, which provisions are hereby ratified and confirmed.

Section 503. Parties Interested Herein. Nothing in this Second Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the County, the Fiduciaries and the Owners of the Bonds, any right, remedy or claim under or by reason of the Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Indenture contained by and on behalf of the County shall be for the sole and exclusive benefit of the County, the Fiduciaries and the Owners of the Bonds.

Section 504. No Recourse on the Bonds.

(A) No recourse shall be had for the payment of the Principal or Redemption Price of or interest on the Series 2013 Bonds or for any claim based hereon or on the Indenture against any past, present or future member, director, officer, employee or agent of the County, or any successor, public body or any person executing the Series 2013 Bonds, either directly or through the County, under any rule of law or equity, statute or institution or otherwise, and all

such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of an in consideration for the execution of this Second Supplemental Indenture and the issuance of the Series 2013 Bonds.

(B) No officer, director, agent or employee of the County shall be individually or personally liable for the payment of the Principal or Redemption Price of or interest on the Series 2013 Bonds; but nothing herein contained shall relieve any such officer, director, agent or employee from the performance of any official duty provided by law.

(C) All covenants, stipulations, obligations and agreements of the County contained in the Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the County to the full extent authorized and permitted by the Constitution and laws of the State, and no covenants, stipulations, obligations or agreements contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, director, agent or employee of the County in his or her individual capacity, and no officer executing the Series 2013 Bonds shall be liable personally on the Series 2013 Bonds or be subject to any personal liability accountability by reason of the issue thereof. No officer, director, agent or employee of the County shall incur any personal liability in acting or proceeding or in not acting or not proceeding in the Ordinance with the terms of the Indenture.

Section 505. Successors and Assigns. Whenever in this Second Supplemental Indenture the County is named or referred to, it shall be deemed to include its successors and assigns and all covenants and agreements in the Indenture contained by or on behalf of the County shall bind inure to the benefit of its successors and assigns whether so expressed or not.

Section 506. Severability of Invalid Provisions. If any one or more of the covenants or ingredients provided in this Second Supplemental Indenture on the part of the County or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements; and shall in no way affect the validity of any other provisions of the Indenture.

Section 507. Notices. Any notice, demand, direction, request or other instruments authorized or required by the Indenture to be given to, delivered to or filed with the County or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Indenture if and when sent by registered mail, return receipt requested:

To the County, if addressed to:

County of Cook, Illinois
118 North Clark Street, Room 1127
Chicago, Illinois 60602
Attention: Chief Financial Officer

and at such other address as may be subsequently designated in writing by the County to the Trustee; and

To the Trustee, if addressed to:

The Bank of New York Mellon Trust Company, N.A.
2 N. LaSalle Street, Suite#1020
Chicago, IL 60602
Attention: Corporate Trust-Public Finance

and at such other address as may be subsequently designated in writing by the Trustee to the County.

Section 508. Construction. This Second Supplemental Indenture shall be construed in accordance with the provisions of State law without reference to its conflict of law principles.

Section 509. Headings Not a Part of This Second Supplemental Indenture. Any headings preceding the texts of the several Articles and Sections hereof, and any Table of Contents appended to copies hereof, are solely for convenience of reference and do not constitute a part of this Indenture, nor do they affect its meaning, construction or effect.

Section 510. Multiple Counterparts. This Second Supplemental Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the County of Cook, Illinois and The Bank of New York Mellon Trust Company, N.A. has caused this Indenture to be executed, all as of the day and year first above written.

COUNTY OF COOK, ILLINOIS

By: _____
Chief Financial Officer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: _____
Authorized Signatory

EXHIBIT A
FORM OF SERIES 2013 BOND
[Form of Bond — Front Side]

REGISTERED
NO._____

REGISTERED
$_____

THE COUNTY OF COOK, ILLINOIS
SALES TAX REVENUE BONDS, SERIES 2013
(QUALIFIED ENERGY CONSERVATION BONDS – DIRECT PAYMENT)

See Reverse Side for Additional Provisions

INTEREST RATE	MATURITY DATE	DATED DATE
CUSIP		
_____%	November 15, ____	_____, 2013

Registered Owner:

Principal Amount:

(1) THE COUNTY OF COOK, ILLINOIS, a county and home rule unit of government duly organized and existing under the laws of the State of Illinois (the "*County*"), for value received, hereby promises to pay (but only out of the sources hereinafter provided) to the Registered Owner identified above or registered assigns, upon presentation and surrender thereof, the Principal Amount identified above on the Maturity Date specified above, unless this Series 2013 Bond shall have been previously called for redemption and payment of the redemption price shall have been duly made or provided for, and to pay (but only out of the sources hereinafter provided) interest on said Principal Amount from its Dated Date. Interest on this Series 2013 Bond (computed on the basis of a 360-day year consisting of twelve 30-day months) is payable on May 15 and November 15 of each year, commencing [November 15, 2013], until the payment in full of such Principal Amount, except as provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto.

(2) Principal of and premium, if any, on this Series 2013 Bond are payable in lawful money of the United States of America at a corporate trust office of The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, or its successor in trust (the "*Trustee*") and Paying Agent and payment of the interest hereon shall be made to the person in whose name this Series 2013 Bond is registered at the close of business on the fifteenth (15th) day preceding each interest payment date (the "*Record Date*") by check or bank draft mailed or delivered by the Trustee to such Registered Owner at such Registered Owner's address as it appears on the registration books of the County maintained by The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, as Registrar (the "*Registrar*") or, at the option of any Registered Owner of $1,000,000 or more in aggregate principal amount of Series 2013 Bonds, by wire transfer of immediately available funds to such bank in the continental United States as said Registered Owner shall request in writing to the Registrar.

(3) Reference is hereby made to the further provisions of this Series 2013 Bond on the reverse hereof and such further provisions shall for all purposes have the same as if set forth at this place.

(4) It is hereby certified, recited and declared that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2013 Bond have been performed in due time, form and manner as required by law; and that the issuance of this Series 2013 Bond and the series of which it is a part does not exceed or violate any constitutional or statutory limitation.

(5) This Series 2013 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

(6) IN WITNESS WHEREOF, the County of Cook, Illinois has caused this Series 2013 Bond to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of its President of the Board of Commissioners and its Chief Financial Officer, and its corporate seal (or a facsimile thereof) to be hereunto impressed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or duly authorized facsimile signature of its County Clerk, all as of the Dated Date identified above.

COUNTY OF COOK, ILLINOIS

BY_____
President, Board of Commissioners

BY_____
Chief Financial Officer

(FACSIMILE SEAL)

ATTEST

_____
County Clerk

[Form of Certificate of Authentication for Series 2013 Bonds]
Trustee's Certificate of Authentication

This Bond is one of the Series 2013 Bonds described in the within-mentioned Indenture.

Date of Authentication and Delivery:

_____

THE BANK OF NEW YORK MELLON TRUS COMPANY, N.A., AS TRUSTEE

By_____
Authorized Signatory

[FORM OF BOND-REVERSE SIDE]

(7) This Series 2013 Bond is one of the County's duly authorized Sales Tax Revenue Bonds, Series 2013 (the "*Series 2013 Bonds*"), issued in an aggregate amount not to exceed $38,000,000 pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois particularly Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and a Trust Indenture, dated as of August 1, 2012 (the "*Master Indenture*"), between the County and the Trustee, as supplemented and amended by a Second Supplemental Trust Indenture, dated as of June 1, 2013 (the "*Second Supplemental Indenture*," and together with the Master Indenture, the "*Indenture*"), by and between the County and the Trustee, to pay costs incurred in connection with the Series 2013 Project (the *"Series 2013 Projects"*) (as defined in the Indenture) and the issuance of the Series 2013 Bonds. As provided in the Indenture, the principal or redemption price of and interest on the Series 2013 Bonds are payable solely from secured by a pledge of and lien on the Pledged Sales Tax Revenues

collected by the County as defined and described in the Indenture (the "*Pledged Sales Tax Revenues*") and amounts on deposit in certain Funds and Accounts established pursuant to the Indenture. The Indenture provides that Additional Bonds and Refunding Bonds may be issued from time to time in the future on a parity with this Series 2013 Bond to share ratably and equally in the Pledged Sales Tax Revenues upon compliance with certain requirements contained in the Indenture (such Series 2013 Bonds, Additional Bonds and Refunding Bonds from time to time outstanding are referred to collectively as the "*Bonds*").

(8) An executed copy of the Indenture is on file at a corporate trust office of the Trustee and reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the County, the Trustee and the Owners of the Bonds and the terms upon which the Bonds may be issued and secured.

(9) This Series 2013 Bond is transferable, as provided in the Indenture, only upon the registration books of the County maintained by the Registrar by the Registered Owner hereof in person, or by its duly authorized attorney, upon surrender hereof with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney, and thereupon a new registered Series 2013 Bond or Bonds, in the same aggregate principal amount and maturity, shall be issued to the transferee. The County, the Trustee, the Registrar, and any Paying Agent may deem and treat the person in whose name this Series 2013 Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or an account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

(10) The Series 2013 Bonds are issuable in the form of fully registered bonds in the denomination of $5,000 or any integral multiple thereof. Subject to the conditions and upon the payment of the charges provided in the Indenture, Series 2013 Bonds may be surrendered (accompanied by a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney) in exchange for an equal aggregate principal amount of Series 2013 Bonds of the same maturity of any other authorized denominations.

(11) The Registrar shall not be required to make any registration, transfer or exchange of any Series 2013 Bond during the period between each Record Date and the next succeeding interest payment date of such Series 2013 Bond, or after such Series 2013 Bond has been called for redemption or, in the case of any proposed redemption of Series 2013 Bonds, during the 15 days next preceding the date of first giving of notice of such redemption.

(12) The Series 2013 Bond maturing on November 15, ___ is subject to redemption prior to maturity at a Redemption Price equal to the aggregate principal amount thereof plus accrued interest thereon to the date fixed for redemption, in the respective principal amounts shown for such years in the table below:

REDEMPTION DATE (NOVEMBER 15)	AMOUNT $

(13) The Series 2013 Bonds maturing on and after November 15, _____ are subject to redemption at the election or direction of the County prior to maturity in whole or in part in any order of maturity designated by the County, in integral multiples of $5,000, on any date on or after November 15, ____, at a Redemption Price equal to100% of the aggregate principal amount of the Series 2013 Bonds to be redeemed plus accrued and unpaid interest on the Series 2013 Bonds being redeemed to the date fixed for redemption.

(14) The Series 2013 Bonds are subject to extraordinary optional redemption prior to maturity, in whole or in part, at the option of the County, at the Extraordinary Redemption Price, upon the occurrence of an Extraordinary Event, all as described in the Second Supplemental Indenture.

(15) The Series 2013 Bonds are subject to mandatory redemption in whole or in part, at a redemption price equal to the principal amount of the redeemed Series 2013 Bonds plus accrued interest to a redemption date designated by the Chief Financial Officer that is not later than 90 days after the end of the Available Project Proceeds Expenditure Period, in a principal amount equal to the unexpended Available Project Proceeds of the Series 2013 Bonds on deposit in the Series 2013 Project Account of the Project Fund as of the end of the Available Project Proceeds Expenditure Period, as described in the Second Supplemental Indenture.

(16) If less than all of the Series 2013 Bonds of like maturity shall be called for redemption, the particular Series 2013 Bonds or portions thereof to be redeemed shall be selected at random by the Trustee not more than 60 days prior to the date fixed for redemption in such manner as the Trustee in its discretion may deem fair and appropriate; *provided, however*, that the portion of any Series 2013 Bond of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof and that, in selecting portions of such Series 2013 Bonds for redemption, the Trustee shall treat each such Series 2013 Bond as representing that number of Series 2013 Bonds of $5,000 denomination which is obtained by dividing the principal amount of such Series 2013 Bond to be redeemed in part by $5,000. Notice of the redemption of Series 2013 Bonds shall be given by the Trustee by first-class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Registered Owners of the Series 2013 Bonds to be redeemed at their addresses shown on the registration books of the County maintained by the Registrar. With respect to an optional redemption of any Series 2013 Bonds, unless moneys sufficient to pay the principal of, redemption premium, if any and interest on the Series 2013 Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice shall state that said redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the County shall not redeem such Series 2013 Bonds and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Series 2013 Bonds will not be redeemed. If, on the date fixed for redemption, moneys for the redemption of all Series 2013 Bonds or portions thereof to be redeemed, together with interest to such date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from after the date fixed for redemption, interest on the Series 2013 Bonds or portions thereof so called for redemption shall cease to accrue and become payable.

(17) The Indenture provides that if the County shall pay the principal or redemption price, if applicable, and interest due or to become due on all Bonds, at the times and in the manner stipulated therein and in the Indenture, then the pledge and lien created by the Indenture for all Bonds shall be discharged and satisfied. If the County shall pay the principal or redemption price, if applicable, and interest due and to become due on all Bonds of a particular series, maturity within a series or portions of a maturity within a series at the times and in the manner stipulated therein and in the Indenture, then the pledge and lien created by the Indenture for such Bonds shall thereupon be discharged and satisfied. Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust at or prior to their maturity or redemption date shall be deemed to have been paid if, among other things, the County shall have delivered to the Trustee either moneys in an amount which shall be sufficient or Defeasance Obligations (as defined in the Indenture), the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or redemption price, if applicable, of and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be. Defeasance Obligations and moneys so deposited with the Trustee shall be held in trust for the payment of the principal or redemption price, if applicable, of and interest on said Bonds.

(18) The Bonds do not represent or constitute a debt of the County or of the State of Illinois within the meaning of any constitutional or statutory limitation or a pledge of faith and credit of the County of the State of Illinois or the grant to the Registered Owners thereof of any right to have the County or the General Assembly of the State of Illinois levy any taxes or appropriate any funds for the payment of the principal of, premium, if any, or interest on the Bonds. The Registered Owner hereof shall, however, have the right to enforce the covenants of the County contained in the Indenture regarding the imposition of the Home Rule Sales Taxes and collection of the Pledged Sales Tax Revenues. The Bonds are payable solely from the Pledged Sales Tax Revenues and sources pledged for their payment in accordance with the Indenture. No recourse shall be had for the payment of the principal or redemption price of or interest on the Bonds or for any claim based thereon or on the Indenture against any past, present or future member, officer, employee or agent of the County, or any successor, public body or person executing the Bonds, either directly or through the County, under any rule of law or equity, statute or constitution or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of the Bonds.

(19) The Registered Owner of this Series 2013 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

(20) Modifications or alterations of the Indenture or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

[FORM OF ASSIGNMENT]

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

UNIT GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors
Act _____
(State)

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

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

ASSIGNMENT

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

_____

_____
(Name and Address of Assignee)

_____

_____
(Please insert Social Security or other identifying number of Assignee)

the within Series 2013 Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Series 2013 Bond on the books kept for registration thereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Series 2013 Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

***Referred to the Finance Committee on 5/29/13.**

Commissioner Suffredin, seconded by Commissioner Steele, moved to Approve the Proposed Bond Ordinance (Communication No. 323663). The motion carried.

Chairman Daley entered into the record a series of questions submitted by his office, and the subsequent responses from the Chief Financial Officer. The documents are attached hereto and made part of this report.

Commissioner Gainer requested further clarification regarding the terms under which energy cost savings resulting from the contract with the vendor will be documented, and the method for determining the fees payable to the vendor, and the timeframe for payment. The Chief Financial Officer agreed to provide a written reply.

Chairman Daley requested that the Cook County Auditor's Office be invited to participate in the energy savings audit, to ensure an unbiased review of the vendor's performance. The Chief Financial Officer agreed to respond in writing to this request.

Commissioner Steele, seconded by Commissioner Murphy, moved to adjourn. The motion carried and the meeting was adjourned.

SECTION 2

YOUR COMMITTEE RECOMMENDS THE FOLLOWING ACTION WITH REGARD TO THE MATTER NAMED HEREIN:

Communication Number 323663 — Recommended for Approval

Respectfully submitted,
Committee on Finance

John P. Daley, Chairman

Attest:

Matthew B. DeLeon, Secretary

*The transcript for this meeting is available in the Office of the Secretary to the Board, 118 North Clark Street, Room 436, Chicago, IL 60602. *A video recording of this meeting is available on the Office of the Secretary to the Board's web site on the Video Page at http://blog.cookcountyil.gov/secretarytotheboard/county-board-proceedings/county-board-video-and-audio/

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312.603.4400 Office
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e-mail: john.daley@cookcountyil.gov

JOHN P. DALEY
Chairman
Committee on Finance

Commissioner – 11th District
Cook County Board of Commissioners

June 12, 2013

Mr. Ivan Samstein
Chief Financial Officer
118 N Clark
Chicago, IL 60602

Dear Mr. Samstein:

Please respond to the following questions regarding the proposed Bond Ordinance that will be heard at a public hearing of the Finance Committee on June 18, 2013.

1. Please provide a detailed explanation of the benefits to Cook County of issuing Qualified Energy Conservation Bonds.
2. If this is a new bond series (Series 2013) than why are we issuing a Second Supplemental Indenture? Please explain why this is not separate from the Series 2012 bonds, and why it is not formatted as a separate bond ordinance with its own First Supplemental Indenture.
3. This bond issuance does not appear to be tailored to just the Series 2013 bonds. Does this cover any of the Series 2012? What impact does this issuance have on the Series 2012 bonds?
4. If this doesn't cover the Series 2012 bonds, shouldn't we tailor this ordinance to just the proposed $38 million under the Series 2013? Shouldn't we define the series as "Series 2013" instead of "Series of Bonds?"
5. Why are the bonds due and payable in 27 years? Should they be due and payable in 30 years?
6. What bonds are being redeemed in this ordinance? What is the fiscal impact on the County?
7. If this is a new bond series, should it be issued under a new Trustee and Escrow Agent?

Thank you for your attention to these inquiries.

Sincerely,

John P. Daley
Chairman, Finance Committee

Printed on Recycled Paper

Bureau of Finance | Office of the Chief Financial Officer
IVAN SAMSTEIN
CHIEF FINANCIAL OFFICER
118 N. CLARK STREET ● Chicago, Illinois 60602 ● (312) 603-6846

TONI PRECKWINKLE
PRESIDENT
Cook County Board of Commissioners

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16th District

ELIZABETH ANN DOODY GORMAN
17th District

MEMORANDUM

To: The Honorable John P. Daley, Chairman of the Finance Committee
Cook County Board of Commissioners

From: Ivan Samstein,
Chief Financial Officer

Subject: Qualified Energy Conservation Bonds (QECBs)

Date: June 13, 2013

CC: GA Finch; Patrick Carey, Laura Lechowicz-Felicione, Joseph Clary, Andrea Gibson; Herman Brewer; John Cooke

This memorandum is intended to provide you with additional information regarding the proposed QECB Bond issuance. We wanted to commence with some general background information regarding the initiative, followed by specific answers to your questions received on June 12th. We look forward to providing you with further information as needed.

Background on QECBs: QECBs were authorized for local governments by the federal government under the American Recovery and Reinvestment Act ("ARRA"), the federal economic stimulus program. QECBs were designed to encourage governmental bodies to utilize construction and retro-fitting methods that will cut-down on energy consumption, and thereby provide savings on future energy use. The federal government will provide a subsidy of 70% of the associated interest costs, up to a maximum allowable rate, less a 7.1% reduction due to the impact of sequestration. The County was granted an allocation of $24.95 million of QECB authority in July 2010, but never issued the associated bonds.

Associated Projects: Under the proposed initiative, the County would issue Sales Tax Revenue Bonds to fund a portion of those projects set forth in Attachment A to this Memo. These projects, entered into by Capital Planning with Energy Savings Companies ("ESCO") were approved by the Board in July 2012, and have been certified as QECB eligible projects by Ice Miller LLP, the firm that would serve as Bond Counsel on the proposed bonds, if approved. This would be the County's first, and likely only, issuance of QECBs as it would use the entirety of the available allocation obtained in 2010. The Ordinance references a not to exceed amount of $38 million as the County had initially explored the opportunity to obtain additional allocation, however due to the limited allocation the actual issuance will likely not exceed $25 million. The projects are designed to provide significant energy savings at the Jail and Hospital campuses via two ESCO contracts with Johnson Controls and Noresco. The remainder of the costs associated with the projects would be funded from proceeds of the 2009 and 2010 Build America Bonds that are currently on hand.

Financial Benefits of QECBs: QECBs, as a result of the significant federal subsidy, will provide very low cost funding for the County. ***Current market estimates of effective all-in costs for the financing range from 0.89%-0.99% when including associated fees, the federal subsidy, and an invested sinking fund associated with the bonds.*** These figures reflect a 25 year financing structured for level debt service. This compares to an average coupon much closer to 5% for outstanding bonds of similar duration.

Relationship between the Proposed Financing and Outstanding Debt of the County: As of May 20, 2013 the County retained $218.4 million of capital project funding and $77.6 million in capital equipment funding from the 20009 and 2010 Build America Bonds. At the current spending rates for capital projects and capital equipment the Bureau of Finance currently estimates these funds will be depleted and require replenishment during calendar year 2014. The County has successfully reprioritized projects during recent years and continues to do so in order to delay the need for issuance of new money bonds in order to utilize the 2009 and 2010 BAB proceeds prior to issuance of new money debt. This specific financing is being proposed because of the extremely low cost available based on the specific projects qualifying for the designation as QECBs. The remainder of the project costs will in fact be funded from bond funds on hand from the 2009 and 2010 financings.

Relationship between the Proposed Financing and the Budget: The proposed QECB initiative was the only new money debt anticipated at the time of the 2013 Budget, and remains the only new money debt being contemplated during FY 2013, though we continue to monitor refunding opportunities to lower interest costs. Under the proposed Ordinance and related indenture agreement, the County will pay bond investors with sales-tax receipts. Within the General Fund, these sales taxes deposits will be offset by the energy cost-savings that will be achieved from the projects. This approach is similar to the approach taken in our 2012 motor-fuel tax initiative, in which highway projects are funded from bonds backed by the sales tax, with the sales taxes being replenished in the General Fund by motor-fuel taxes. It is anticipated that the Bonds will qualify for a AAA rating from Standard and Poor's Ratings, as did the County's initial offering of Sales Tax Bonds during the summer of 2012.

Minority and Women Participation: The proposed ordinance reflects the County's continuing commitment to MBE and WBE participation in transactions of this nature. For example, MBE/WBE participation in the underwriter's syndicate would represent 50% of the liability associated with the bond issue. The County's Financial Advisor on the transaction would be an MBE/WBE firm, providing 100% of the associated professional fees to an MBE/WBE. In addition, more than 30% of the Legal Counsel fees would be directed towards MBE firms, and the County would be using an MBE law firm as the prime Underwriter's Counsel for the engagement.

Technical aspects of the proposed QECB Ordinance: We are attaching Bond Counsel's comprehensive red-line version of the proposed Ordinance, which indicates those aspects of the proposed Ordinance that differ from the previous sales-tax Ordinance, approved by the board in July of 2012, including those aspects regarding credit facilities, credit swaps, and the delegation of authority . As you will see, and except with respect to financial matters, the proposed Ordinance entails few revisions in terms of substance. We would be pleased to walk through each of these revisions with you, if that would prove helpful.

We hope that the foregoing information is helpful to you, and now provide responses to the questions we received from your office on June 12th:

1. *Please provide a detailed explanation of the benefits to Cook County of issuing QECBs.* As a result of the substantial federal subsidy referenced above, QECBs will allow the County to finance projects at a significantly lower cost than traditional bonds. ***Under current market conditions, the effective all-in costs for the proposed QECB financing range from 0.89%-0.99%, taking into account associated fees, the federal subsidy, and an invested sinking fund associated with the bonds.*** These figures reflect a 25-year fixed-rate structure for a level-debt service. This 0.89%-0.99% stands in contrast to the average cost of similar duration outstanding bonds of the County which averages closer to 5%.

2. *If this is a new bond series (Series 2013), then why are we issuing a Second Supplemental Indenture? Please explain why this is not separate from the Series 2012 bonds, and why it is not formatted as a separate bond ordinance with its own First Supplemental Indenture.* The proposed sales- tax/QECB initiative is similar to the earlier sales-tax/MFT initiative. Under that earlier initiative, including the associated Ordinance, the Master Indenture, and the First Supplemental Indenture, sales-tax revenue disbursed by the State to the County Comptroller is remitted to the Trustee, for payment to the bond investors. Following the disbursement to the Trustee, the funding stream is channeled back to the Comptroller for corporate purposes. Under the terms of this pre-existing Sales-Tax Bond Ordinance, the Master Indenture, and the First Supplemental Indenture, the funding stream may not be hindered or diverted. In this legal framework, the proposed QECB initiative must be built on and linked to the pre-existing Ordinance, Master Indenture, and First Supplemental Indenture, as is customary when one revenue-bond initiative follows upon another that benefits from the same pledged revenue stream. To secure the proposed QECBs with sales-tax revenue, those bonds are issued under the pre-existing Master Indenture, where the County has pledged all of its sale-tax revenues. The Master Indenture requires that these bonds, if secured by sales-tax revenues, be issued pursuant to a Second Supplemental Indenture to the Master Indenture.

3. *This bond issuance does not appear to be tailored to just the Series 2013 bonds. Does this cover any of the Series 2012? What impact does this issuance have on the 2012 bonds?* The Master Trust Indenture contemplated the possible future issuance of additional bonds secured by sales-tax revenue, if certain coverage requirements are met. The satisfaction of the coverage requirements for the issuance of the 2013 bonds confirms that there will be sufficient sales-tax revenue to cover both series; accordingly there is no impact from this financing on the 2012 Bonds.

4. *If this doesn't cover the Series 2012 bonds, shouldn't we tailor this ordinance to just the proposed $38 million under the Series 2013? Shouldn't we define the series as "Series 2013" instead of "Series of Bonds"?* As you rightly point out, the proposed Ordinance references "series of bonds." The Ordinance was drafted to permit the issuance of QECB and taxable bonds, in the event that a portion of the subject projects were not fully fundable by QECBs. Since the introduction of the Ordinance, we have confirmed that all of the subject projects are fully fundable by QECBs. Thus, in the implementation of the Ordinance, only one series of bonds will be issued: the 2013 QECBs. As the QECB proceeds are not sufficient to pay for all of the costs associated with the various projects, the remainder would be drawn from proceeds of the 2009 or 2010 Build America Bonds.

5. *Why are the bonds due and payable in 27 years? Should they be due and payable in 30 years?* The Ordinance would not make the bonds necessarily due and payable in 27 years. Rather, the Ordinance would establish a maximum term of 27 years for the term of the bonds. This term may not exceed the maximum maturity that is set by the US Treasury Department on the first business day of each month for all Tax Credit Bonds, including Direct Subsidy QECBs, sold during that month. For the month of June, 2013, the maximum federal term has been set at 26 years, although this term has fluctuated slightly in recent months. We anticipate that the bond themselves will have a 25-year final maturity, based on the energy savings cash-flows of the associated projects.

6. *What bonds are being redeemed in this ordinance? What is the fiscal impact to the County?* No bonds will be redeemed under this Ordinance. The annual debt service, based on sinking fund requirements, is currently estimated at $1.35 million annually, with initial debts service payments in FY 2014 and limited monthly deposits of Sales Tax revenue to begin during FY 2013. The energy savings associated with the projects being partially funded from the bonds are estimated by Capital Planning and the ESCO firms at $3.7 million, starting in FY 2014, with savings increasing annually. The remainder of the project costs will be financed from bond proceeds on hand, specifically residual 2009 and 2010 BAB funds referenced earlier in this memo. In the aggregate, we believe that the savings from the ESCO contracts will more than offset the costs of the QECB financing.

7. *If this is a new bond series, should it be issued under a new Trustee and Escrow Agent?* The 2012 sales-tax bond initiative created the Master Trust Indenture and a First Supplemental Trust Indenture, both associated with the County's sales-tax credit. The pledge to Bondholders was a gross pledge of the County's Home Rule Sales Tax Revenues. Accordingly, the County will issue all future sales-tax revenue bonds under the Master Trust Indenture. In this regard, the County may select a separate trustee on future sales-tax bond issues. However, the 2012 Sales Tax Revenue Bonds utilize Bank of New York Mellon as the trustee bank, which receives the County's gross sales tax revenues prior to retaining the necessary amounts to the pledged bond holder accounts. Due to the process in place with respect to the 2012 Sales-Tax Revenue Bonds, there are operational and economic efficiencies in using the same institution as trustee for the 2013 bonds as they receive gross sales tax revenues from the Comptroller on a monthly basis.

We hope this information and the related documents prove helpful to you, and look forward to further conversations on this matter. As Joseph Clary in our office discussed with your staff, we also have proposed a meeting between yourself and the law firms associated with the proposed initiative, should you believe such a meeting would be helpful. Ultimately we are proposing this financing as only select projects qualify for this very advantageous and cost effective financing vehicle, and the ESCO projects approved by the board in July of 2012 will afford the County the ability to take advantage of this opportunity.

Thank you in advance for your consideration, and please let us know if you would like additional information.