

ORDINANCE NO. _____

AN ORDINANCE APPROVING THE TRANSFER
OF VOLUME CAP IN CONNECTION WITH
PRIVATE ACTIVITY BOND ISSUES, AND
RELATED MATTERS

WHEREAS, O'Fallon, Illinois (the "*Municipality*") is a municipality and a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986, as amended (the "*Code*"), provides that the Municipality has volume cap equal to \$90 per resident of the Municipality in each calendar year, which volume cap may be allocated to certain tax-exempt private activity bonds; and

WHEREAS, the Illinois Private Activity Bond Allocation Act, 30 *Illinois Compiled Statutes 2008*, 345/1 *et seq.*, as supplemented and amended (the "*Act*"), provides that a home rule unit of government may transfer its allocation of volume cap to any other home rule unit of government, the State of Illinois or any agency thereof or any non-home rule unit of government; and

WHEREAS, it is now deemed necessary and desirable by the Municipality to transfer its entire volume cap allocation for calendar year 2010 to the Southwestern Illinois Development Authority (the "*Issuer*") to be applied toward the issuance of private activity bonds by the Issuer (the "*Bonds*") or for such other purpose permitted by this Ordinance;

NOW, THEREFORE, Be It Ordained by the City Council of the City of O'Fallon, Illinois, as follows:

SECTION 1. That, pursuant to Section 146 of the Code and the Act, the entire volume cap of the Municipality for calendar year 2010 is hereby transferred to the Issuer, which shall issue the Bonds using such transfer of volume cap, without any further action required on the part of the Municipality, and the adoption of this Ordinance shall be deemed to be an allocation of such volume cap to the issuance of the Bonds or such other bonds.

Office of the Governor
Governor's Office of Management and Budget
603 Stratton Building
Springfield, Illinois 62706

ATTENTION: Debt Management Unit

Re: Issuer: City of O'Fallon
Total 2010 Volume Cap Allocation: 2,478,600

Volume Cap allocations transferred by Issuer resolution prior to May 1, 2010: 2,478,600

If reallocated to another issuer, state name of issuer: Southwestern Illinois Development Authority (SWIDA)

Copies of allocation resolutions or ordinances are attached. (Note: Memorandums of agreements with businesses need not be attached.)

Total Allocation Granted or Reallocated: \$ 2,478,600

Sincerely,

Dean Rich, Director of Finance
(618) 624-4500