

**ORDINANCE NUMBER 2014-044**

AN ORDINANCE providing for the issuance of \$5,630,000 General Obligation Bonds, Series 2014, of the Village of Vernon Hills, Lake County, Illinois, for the purpose of financing capital improvements within the Village and refunding certain outstanding bonds of the Village, authorizing the execution of an escrow letter agreement in connection therewith, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

**PREAMBLES**

**WHEREAS**

A. The Village of Vernon Hills, Lake County, Illinois (the "*Village*"), by virtue of its population, and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt.

B. Pursuant to the home rule provisions of said Section 6, the Village has the power to incur debt payable from ad valorem property tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval.

C. The President and Board of Trustees of the Village (the "*Corporate Authorities*") has heretofore determined and does hereby determine that it is advisable, necessary and in the best interests of the Village in order to promote the health, safety, welfare and convenience of the residents of the Village, to provide for the financing of capital improvements within the Village, consisting of the renovation of the Village's Police Station and the Communications/Training Center, at a cost of not less than \$3,520,000, together with all land or rights in land, appurtenances, mechanical or electrical or other advisable equipment or services used or useful or incidental to said project (the "*Project*"); and

D. Sufficient funds of the Village are not available to pay currently required costs of the Project, and expenses incidental thereto; and it will, therefore, be necessary to borrow money and in evidence thereof issue bonds of the Village in the amount of \$3,520,000 for the purpose of paying a part of the costs of the Project.

E. Pursuant to an ordinance adopted on the 10th day of April, 2007, the Village has heretofore issued and there are now outstanding certain General Obligation Bonds (Alternate Revenue Source), Series 2007, dated April 26, 2007 (the "Series 2007 Bonds" or the "Prior Bonds"), which are payable on March 30 of the years and in the amounts and bear interest at the rates percent per annum as follows:

<u>YEAR</u>	<u>AMOUNT (\$)</u>	<u>RATE (%)</u>
2015	130,000	4.000
2016	135,000	4.000
2017	140,000	4.000
2018	150,000	4.000
2021	490,000	4.000
2024	555,000	4.050
2027	630,000	4.125

The Series 2007 Bonds coming due on March 30, 2016, and thereafter are subject to redemption prior to maturity at the option of the Village on March 30, 2015, and any date thereafter, from any available moneys, in whole or in part, and if in part, in such principal amounts and from such maturities as the Village shall determine and within any maturity by lot, at a redemption price of par plus accrued interest to the date fixed for redemption.

F. The Corporate Authorities have heretofore and it hereby is advisable and necessary and in the best interests of the Village that all of the Prior Bonds due on and after March 30, 2016 (being the "Refunded Bonds") be refunded in advance of maturity (the "Refunding") in order to accomplish debt service savings.

G. Sufficient funds of the Village are not available to pay currently required costs of the Refunding, and expenses incidental thereto; and it will, therefore, be necessary to borrow money and in evidence thereof issue bonds of the Village in the amount of \$2,110,000 for the purpose of paying a part of the costs of the Refunding.

H. The Village now intends to issue its General Obligation Bonds, Series 2014 (the "Bonds" as are hereinafter more specifically described and defined), in an aggregate amount of \$5,630,000, the proceeds of which will be used to pay costs of the Project and the Refunding, such indebtedness to be incurred pursuant to the home rule powers of the Village and the Act (as hereinafter defined), and without submitting the question of incurring such indebtedness to the electors of the Village for their approval.

NOW THEREFORE Be It Ordained by the President and Board of Trustees of the Village of Vernon Hills, Lake County, Illinois, in the exercise of its home rule powers, as follows:

*Section 1. Definitions.* Words and terms used in this Ordinance shall have the meanings given them, unless the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

A. The following words and terms are as defined in the preambles.

Corporate Authorities

Prior Bonds

Project

Refunded Bonds

Refunding

Series 2007 Bonds

Village

B. The following words and terms are defined as set forth.

*"Act"* means the Illinois Municipal Code, as supplemented and amended, the Local Government Debt Reform Act, as amended, and the home rule powers of the Village under Section 6 of Article VII of the Illinois Constitution of 1970; and, in the event of conflict between the provisions of said statutes and home rule powers, the home rule powers shall be deemed to supersede.

*"Bond Fund"* means the Bond Fund established and defined in (Section 14 of) this Ordinance.

*"Bond Moneys"* means the Property Taxes and any other moneys deposited into the Bond Fund and investment income held in the Bond Fund.

*"Bond Register"* means the books of the Village kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

*"Bond Registrar"* means The Bank of New York Mellon Trust Company, National Association, a national banking association, having trust offices located in Chicago, Illinois, or its successors, in its capacity as bond registrar and paying agent under this Ordinance, or a substituted bond registrar and paying agent as hereinafter provided.

*"Bonds"* means the \$5,630,000 General Obligation Bonds, Series 2014, authorized to be issued by this Ordinance.

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

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

*"Continuing Disclosure Undertaking"* means the undertaking by the Village for the benefit of the Purchaser as authorized in (Section 21 of) this Ordinance.

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

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

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

“*Escrow Agent*” means The Bank of New York Mellon Trust Company, National Association, a national banking association, having trust offices located in Chicago, Illinois, or its successors, in its capacity as escrow agent under this Ordinance, or a substituted escrow agent as hereinafter provided.

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

“*Ordinance*” means this Ordinance, numbered as set forth on the title page, and passed by the Corporate Authorities on the 2nd day of December, 2014.

“*Project Fund*” means the Project Fund established and defined in (Section 14 of) this Ordinance.

“*Property Taxes*” means the ad valorem real property taxes levied to pay the Bonds as described and levied in (Section 11 of) this Ordinance.

“*Purchase Price*” means the price to be paid to the Village by the Purchaser, to-wit \$5,667,103.58 (being par, plus \$51,483.00 net reoffering premium and minus \$14,379.42 underwriter’s discount), plus accrued interest to the date of delivery, if any.

“*Purchaser*” means the purchaser and underwriter of the Bonds, as selected by being the best bidder or bidders at public sale of the Bonds, namely, Piper Jaffray & Co., Minneapolis, Minnesota.

“*Record Date*” means the 15th day of the month of the interest payment date.

*"Tax-exempt"* means, with respect to the Bonds, the status of interest paid and received thereon as excludable from gross income of the owners thereof for federal income tax purposes and as not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but as taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

*"Treasurer"* means the Treasurer of the Village.

C. Definitions also appear in the above preambles or in specific sections, as appearing below. The table of contents preceding and the headings in this Ordinance are for the convenience of the reader and are not a part of this Ordinance.

*Section 2. Incorporation of Preambles.* The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are true, correct and complete and do incorporate them into this Ordinance by this reference.

*Section 3. Determination to Issue Bonds.* It is necessary and in the best interests of the Village to provide for the Refunding to achieve a net debt service savings, to acquire and construct the Project, to pay all related costs and expenses incidental thereto, and to borrow money and issue the Bonds for such purposes. It is hereby found and determined that such borrowing of money is necessary for the welfare of the government and affairs of the Village, 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.

*Section 4. Bond Details.*

A. For the purpose of providing for the Project and the Refunding, there shall be issued and sold the Bonds in the aggregate principal amount of \$5,630,000.

B. The Bonds shall each be designated "*General Obligation Bond, Series 2014*"; be dated the date of issuance thereof (the "*Dated Date*"); and each Bond shall also bear the date of authentication thereof. The Bonds shall be fully registered and in Book Entry Form, shall be in denominations of \$5,000 or integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), and shall be numbered consecutively in such fashion as shall be determined by the Bond Registrar. The Bonds shall become due and payable serially on March 30 of the years and in the amounts and bearing interest at the rates percent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)
2016	270,000	2.00
2017	310,000	2.00
2018	325,000	2.00
2019	325,000	2.00
2020	340,000	2.00
2021	340,000	2.00
2022	345,000	2.00
2023	355,000	2.15
2024	370,000	2.30
2025	370,000	2.45
2026	380,000	2.60
2027	395,000	2.75
2029	395,000	3.00
2030	210,000	3.00
2032	435,000	3.00
2034	465,000	3.50

C. Each Bond shall bear interest from the later of its Dated Date as herein provided or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on March 30 and September 30 of each year, commencing on September 30, 2015. Interest on each Bond shall be paid by check or draft of the Bond Registrar, payable upon presentation thereof in lawful money

of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date and mailed to the registered owner of the Bond as shown in the Bond Registrar or at such other address furnished in writing by such Registered Owner, or as otherwise may be agreed with the Depository for so long as the Depository or its nominee is the registered owner as of a given Record Date. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the office of the Bond Registrar maintained for the purpose or at successor Bond Register or locality.

*Section 5. Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds as provided in Section 4 hereof, and the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto ("*Cede*"), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns ("*DTC*"). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The President, Treasurer and Village Clerk are hereby authorized to execute and deliver on behalf of the Village such letters to or agreements with DTC and the Bond Registrar as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "*Representation Letter*").

With respect to the Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the Village and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "*DTC Participant*") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Village and the Bond Registrar shall have no responsibility or obligation with respect to

(i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. The Village and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Village's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond certificate evidencing the obligation of the Village to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, the name "*Cede*" in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the Village determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the Village, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the Village determines that it is in the best interests of the beneficial

owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify DTC and DTC Participants of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At the time, the Village may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a global book-entry system, as may be acceptable to the Village, or such depository's agent or designee, and if the Village does not select such alternate global book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 9 hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

*Section 6. Execution; Authentication.* The Bonds shall be executed on behalf of the Village by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk, as they may determine, and shall be impressed or imprinted with the corporate seal or facsimile seal of the Village. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form provided, duly executed by the Bond Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed

by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

*Section 7. Mandatory and Optional Redemption.* (A) MANDATORY REDEMPTION.

The Bonds due on March 30, 2029, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on March 30, 2028, in the principal amount of \$195,000, the Bonds due on March 30, 2032, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on March 30, 2031, in the principal amount of \$215,000, and the Bonds due on March 30, 2034, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on March 30, 2033, in the principal amount of \$230,000.

B. OPTIONAL REDEMPTION. The Bonds maturing on and after March 30, 2024, shall be subject to redemption prior to maturity at the option of the Village as a whole, or in part in integral multiples of \$5,000 in any order of their maturity as determined by the Village (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on March 30, 2023, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such

Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the Village may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Corporate Authorities shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

C. GENERAL. The Bonds shall be redeemed only in the principal amount of \$5,000 and integral multiples thereof. The Village shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

*Section 8. Redemption Procedure.* Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and
- (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the Village shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were

not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

*Section 9. Registration and Exchange or Transfer of Bonds; Persons Treated as Owners.* The Village shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar in the City of Chicago, Illinois, which is hereby constituted and appointed the registrar of the Village for the Bonds. The Village is authorized to prepare, and

the Bond Registrar or such other agent as the Village may designate shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date or during the period of 15 days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or a portion of which has been called for redemption.

The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however*, that the principal amount of Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

*Section 10. Form of Bond.* The Bonds shall be in substantially the form hereinafter set forth; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then the second paragraph of the front side of the Bond and the legend "See Reverse Side for Additional Provisions" shall be omitted and paragraphs on the reverse side of the Bond shall be inserted immediately after the first paragraph on the front side.

[FORM OF BONDS - FRONT SIDE]

REGISTERED  
No. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
THE COUNTY OF LAKE  
VILLAGE OF VERNON HILLS  
GENERAL OBLIGATION BOND, SERIES 2014

See Reverse Side for  
Additional Provisions.

Interest                      Maturity                      Dated  
Rate: \_\_\_\_\_%      Date: March 30, \_\_\_\_\_      Date: December 30, 2014      CUSIP:

Registered Owner:      CEDE & CO.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Vernon Hills, Lake County, Illinois, a municipality, home rule unit, and political subdivision of the State of Illinois (the "Village"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, such interest to be payable on March 30 and September 30 of each year, commencing September 30, 2015, until said Principal Amount is paid or duly provided for. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the offices maintained for that purpose of The Bank of New York Mellon Trust Company, National Association, Chicago, Illinois as paying agent and bond registrar (the "Bond

*Registrar*”). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by the Bond Registrar at the close of business on the applicable Record Date. The Record Date shall be the 15th day of the month of the interest payment date. Interest shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books, or at such other address furnished in writing by such Registered Owner to the Bond Registrar, or as otherwise agreed by the Village and the Bond Registrar for so long as this Bond is held by a qualified securities clearing corporation as depository, or nominee, in Book Entry Form as provided for same.

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

It is hereby certified and recited that all conditions, acts, and things required by the Constitution and laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, have existed and have been properly done, happened, and been performed in regular and due form and time as required by law; that the indebtedness of the Village, represented by the Bonds, and including all other indebtedness of the Village, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Village sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

The Bonds are a general obligation of the Village, for which the full faith and credit of the Village are irrevocably pledged, and are payable from the levy of the Property Taxes on all of the taxable property in the Village, without limitation as to rate or amount.

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

IN WITNESS WHEREOF the Village of Vernon Hills, Lake County, Illinois, by its President and Board of Trustees, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

SPECIMEN

\_\_\_\_\_  
President, Village of Vernon Hills  
Lake County, Illinois

ATTEST:

SPECIMEN

\_\_\_\_\_  
Village Clerk, Village of Vernon Hills  
Lake County, Illinois

[SEAL]

[FORM OF AUTHENTICATION]

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Bonds, Series 2014, having a Dated Date of December 30, 2014, of the Village of Vernon Hills, Lake County, Illinois.

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, NATIONAL  
ASSOCIATION  
as Bond Registrar

Date of Authentication: \_\_\_\_\_, 2014

By \_\_\_\_\_ SPECIMEN  
Authorized Signatory

[FORM OF BONDS - REVERSE SIDE]

This bond is one of a series of bonds (the "*Bonds*") in the aggregate principal amount of \$5,630,000 issued by the Village for the purpose of paying a part of the costs of a certain Project of the Village, paying the costs of refunding certain outstanding bonds of the Village, and of paying expenses incidental thereto, all as described and defined in the ordinance of the Village, passed by the President and Board of Trustees on the 2nd day of December, 2014, authorizing the Bonds (the "*Ordinance*"), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as supplemented and amended, the Local Government Debt Reform Act, as amended, and as further supplemented and, where necessary, superseded, by the powers of the Village as a home rule unit under the provisions of Section 6 of Article VII of the Illinois Constitution of 1970 (such statutory provisions and home rule powers being the "*Act*"), and with the Ordinance, which has been duly approved by the President, and published, in all respects as by law required.

The Bonds may be subject to optional and mandatory redemption, and the holder of this Bond shall refer to the provisions of the Ordinance for the terms and provision for notice of redemption.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date or during the period of 15 days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or a portion of which has been called for redemption.

The Village and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Village nor the Bond Registrar shall be affected by any notice to the contrary.

THE VILLAGE HAS DESIGNATED THIS BOND AS A "QUALIFIED TAX-EXEMPT OBLIGATION" WITHIN THE MEANING OF SECTION 265(B)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

**ASSIGNMENT**

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

Here insert Social Security Number,  
Employer Identification Number or  
other Identifying Number

---

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

---

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

Dated: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

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

*Section 11. Security for the Bonds; Tax Levy of the Property Taxes; Abatement.* The Bonds are a general obligation of the Village, for which the full faith and credit of the Village are irrevocably pledged, and are payable from the levy of the taxes on all of the taxable property in the Village, without limitation as to rate or amount (the "*Property Taxes*"). For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, there is hereby levied upon all of the taxable property within the Village, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose; and there is hereby levied upon all of the taxable property within the Village; in addition to all other taxes, the following direct annual taxes:

FOR THE YEAR      A TAX SUFFICIENT TO PRODUCE THE DOLLAR (\$) SUM OF:

2014	\$443,156.26	for interest and principal up to and including March 30, 2016
2015	443,125.00	for interest and principal
2016	451,925.00	for interest and principal
2017	445,425.00	for interest and principal
2018	453,925.00	for interest and principal
2019	447,125.00	for interest and principal
2020	445,325.00	for interest and principal
2021	448,425.00	for interest and principal
2022	455,792.50	for interest and principal
2023	447,282.50	for interest and principal
2024	448,217.50	for interest and principal
2025	453,337.50	for interest and principal
2026	242,475.00	for interest and principal
2027	241,625.00	for interest and principal
2028	245,625.00	for interest and principal
2029	244,325.00	for interest and principal
2030	242,875.00	for interest and principal
2031	246,275.00	for interest and principal
2032	243,225.00	for interest and principal

The Bond Moneys in the Bond Fund shall be applied to pay principal of and interest on the Bonds when due. Interest on or principal of the Bonds coming due at any time when there are insufficient funds on hand from the Property Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Property Taxes; and when the Property Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. The Village covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the foregoing tax levy. The Village and its officers will comply with all present and future applicable laws in order to assure that the Property Taxes may be levied, extended and collected as provided in this Ordinance and deposited into the Bond Fund. Whenever moneys from any other lawful source are made available or determined to become

available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the Property Taxes, the Corporate Authorities shall, by proper proceedings, direct the deposit of such moneys currently or when received into the Bond Fund and further direct the abatement of such taxes by the amount so deposited. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerk in a timely manner to effect such abatement.

*Section 12. Filing with County Clerk.* Promptly, after this Ordinance becomes effective, a copy hereof, duly certified under manual signature and seal by the Village Clerk, shall be filed with the County Clerk. The County Clerk shall in and for each of the years so required ascertain the rate percent required to produce the aggregate Property Taxes levied in each of such years; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in such years in and by the Village for general corporate purposes of the Village; and in each of those years such annual tax shall be levied and collected by and for and on behalf of the Village in like manner as taxes for general corporate purposes for such years are levied and collected, without limit as to rate or amount, and in addition to and in excess of all other taxes.

*Section 13. Sale of Bonds; Official Statement.* The Bonds shall be executed as in this Ordinance provided as soon after the passage hereof as may be, shall be deposited with the Treasurer, and shall be by the Treasurer delivered to the Purchaser upon payment of the Purchase Price. The contract for the sale of the Bonds to the Purchaser (the "*Purchase Contract*"), as evidenced by an official Notice of Sale and executed official Bid Form, dated this date, in forms as submitted to and presented to the Corporate Authorities at this meeting, and as executed by the Purchaser, is hereby in all respects approved and confirmed, and the officer of the Village designated in the official Bid Form is authorized and directed to execute the official Bid Form on

behalf of the Village, it being hereby declared that, to the best of the knowledge and belief of the members of the Corporate Authorities, after due inquiry, no person holding any office of the Village, either by election or appointment, is in any manner financially interested, either directly, in his or her own name, or indirectly, in the name of any other person, association, trust or corporation, in the Purchase Contract for the sale of the Bonds to the Purchaser. The Preliminary "Deemed Final" Official Statement of the Village, relating to the Bonds, presented to the Corporate Authorities with the Ordinance, is hereby ratified and approved. The Official Statement of the Village, to be dated within seven business days of this date, relating to the Bonds (the "*Official Statement*"), is hereby authorized, and the Purchaser is hereby authorized on behalf of the Village to distribute copies of the Official Statement to the ultimate purchasers of the Bonds. Such officer or officers of the Village as are indicated are hereby authorized to execute and deliver the Official Statement on behalf of the Village.

*Section 14. Creation of Funds and Appropriations.*

A. There is hereby created the "*General Obligation Bonds, Series 2014, Bond Fund*" (the "*Bond Fund*"), which shall be the fund for the payment of principal of and interest on the Bonds. Accrued interest and premium, if any, received upon delivery of the Bonds shall be deposited into the Bond Fund and be applied to pay first interest coming due on the Bonds or be deposited into the Escrow Account as set forth in the Escrow Agreement.

B. The Pledged Taxes shall either be deposited into the Bond Fund and used solely and only for paying the principal of and interest on the Bonds or be used to reimburse a fund or account from which advances to the Bond Fund may have been made to pay principal of or interest on the Bonds prior to receipt of Pledged Taxes. Interest income or investment profit earned in the Bond Fund shall be retained in the Bond Fund for payment of the principal of or interest on the Bonds on the interest payment date next after such interest or profit is received or,

to the extent lawful and as determined by the Corporate Authorities, transferred to such other fund as may be determined. The Village hereby pledges, as equal and ratable security for the Bonds, all present and future proceeds of the Pledged Taxes for the sole benefit of the registered owners of the Bonds, subject to the reserved right of the Corporate Authorities to transfer certain interest income or investment profit earned in the Bond Fund to other funds of the Village, as described in the preceding sentence.

C. The sum of principal proceeds of the Bonds as is necessary, together with funds of the Village on hand and lawfully available, shall be used to provide for the Refunding, and the payment of such expenses as may be designated, pursuant to the provisions of an escrow letter agreement with the Escrow Agent as is designated, all in accordance with the provisions of an Escrow Agreement, substantially in the form attached hereto as *Exhibit A* to this Ordinance, made a part hereof by this reference, and hereby approved; the officers appearing signatory to such Escrow Agreement are hereby authorized and directed to execute same, their execution to constitute conclusive proof of action in accordance with this Ordinance, and approval of all completions or revisions necessary or appropriate to effect the Refunding. The Village expressly authorizes the use of the Government Securities as set forth in the Escrow Account as set forth in the Escrow Agreement.

D. The remaining principal proceeds of the Bonds shall be set aside in a separate fund, hereby created, and designated as the "*Project Fund*" (the "*Project Fund*"), hereby created as the fund to provide for the receipt and disbursement of proceeds of the Bonds for the Project. Alternatively, the Treasurer may allocate such remaining proceeds to one or more related project funds of the Village already in existence; *provided, however*, that this shall not relieve the Treasurer of the Village of the duty to account for the proceeds as herein provided. Any such one or more funds shall also be referred to hereinafter, collectively, as the "*Project Fund*". The

Corporate Authorities reserve the right, as it becomes necessary from time to time, to revise the list of expenditures hereinabove set forth, to change priorities, to revise cost allocations between expenditures and to substitute projects, in order to meet current needs of the Village; *subject, however,* to the tax covenants set forth herein.

At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser, the Escrow Agent or Speer Financial, Inc., Chicago, Illinois ("*Speer*"), on behalf of the Village from the proceeds of the Bonds.

*Section 15. General Arbitrage Covenants.* The Village hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Village acknowledges that, in the event of an examination by the Internal Revenue Service (the "*IRS*") of the exemption from Federal income taxation for interest paid on the Bonds, under present rules, the Village may be treated as a "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination.

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

The Corporate Authorities hereby authorizes the officials of the Village responsible for issuing the Bonds, the same being the President, Village Clerk and Treasurer, to make such

further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be exempt from federal income taxation. In connection therewith, the Village and the Corporate Authorities further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

*Section 16. Registered Form.* The Village recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order to be and remain Tax-exempt. In this connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

*Section 17. Qualified Tax-exempt Obligations.* Each Bond is hereby designated as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code. In connection therewith the Village hereby affirms that: (i) none of such Bonds will be at any time a "private activity bond" (as defined in Section 141 of the Code); (ii) in calendar year 2014, the Village has not issued any Tax-exempt obligations of any kind nor have any other Tax-exempt obligations of any kind been issued on behalf of the Village; (iii) during calendar year 2014, the Village will not issue or cause to have issued on behalf of the Village more than \$10,000,000 of Tax-exempt obligations, including the Bonds; (iv) not more than \$10,000,000 of obligations of any kind (including the Bonds) issued by or on behalf of the Village during

calendar year 2014 will be designated for purposes of Section 265(b)(3) of the Code; and (v) the Village is not subject to control by any entity, and there are no entities subject to control by the Village.

*Section 18. Rights and Duties of Bond Registrar.* If requested by the Bond Registrar, any officer of the Village is authorized to execute standard forms of agreements between the Village and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder. In addition to the terms of such agreements and subject to modification thereby, the Bond Registrar by acceptance of duties hereunder agree:

(a) to act as bond registrar, paying agent, authenticating agent, and transfer agent as provided herein;

(b) as to the Bond Registrar, to maintain a list of Bondholders as set forth herein and to furnish such list to the Village upon request, but otherwise to keep such list confidential to the extent permitted by law;

(c) as to the Bond Registrar, to give notice of redemption of Bonds as provided herein;

(d) as to the Bond Registrar, to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;

(e) as to the Bond Registrar, to furnish the Village at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the Village at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

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

*Section 19. Taxes Previously Levied.* The taxes previously levied to pay principal of and interest on the Prior Bonds, to the extent such principal and interest is provided for from the proceeds of the Bonds, shall be abated. The filing of a certificate of abatement with the County Clerk shall constitute authority and direction for the County Clerk to make such abatement.

*Section 20. Defeasance.* Any Bond or Bonds which (a) are paid and cancelled, (b) which have matured and for which sufficient sums have been deposited with the Bond Registrar to pay all principal and interest due thereon, or (c) for which sufficient U.S. funds and direct U.S. Treasury obligations have been deposited with the Bond Registrar or similar institution to pay, taking into account investment earnings on such obligations, all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement, shall cease to have any lien on or right to receive or be paid from the Bond Moneys or Pledged Taxes hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the Tax-exempt status of the Bonds; and payment, registration, transfer, and exchange; are expressly continued for all Bonds whether outstanding Bonds or not.

*Section 21. Continuing Disclosure Undertaking.* The President or Treasurer of the Village is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*") in substantially the same form as now before the Corporate Authorities, or with such changes therein as the individual executing the Continuing Disclosure Undertaking on behalf of the Village shall approve, the official's execution thereof to constitute conclusive evidence of the approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Village as herein provided, the Continuing Disclosure Undertaking will be binding on the Village and

the officers, employees and agents of the Village, and the officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under the Continuing Disclosure Undertaking.

*Section 22. Call of Prior Bonds.* In accordance with the redemption provisions of the bond ordinance authorizing the Prior Bonds, the Village by the Corporate Authorities does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Prior Bonds for redemption and payment prior to maturity on March 30, 2015.

*Section 23. Purchase of the Government Securities.* The Escrow Agent, Speer, and the Purchaser be and the same are each hereby authorized to act as agent for the Village in the purchase of the Government Securities described and set forth in the Escrow Agreement.

*Section 24. Publication of Ordinance.* A full, true and complete copy of this Ordinance shall be published within ten days after passage in pamphlet form by authority of the Corporate Authorities.

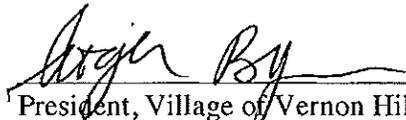
*Section 25. Severability.* If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 26. *Superseder and Effective Date.* All ordinances, resolutions, and orders, or parts thereof, in conflict with this Ordinance, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage, approval and publication.

ADOPTED: December 2, 2014

AYES: Hebda, Marquardt, Schwartz, Schultz, Williams  
NAYS: None  
ABSENT: Koch

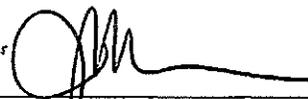
APPROVED: December 2, 2014

  
\_\_\_\_\_  
President, Village of Vernon Hills  
Lake County, Illinois

Published in pamphlet form by authority of the President and Board of Trustees on December 2, 2014.

Recorded in Village Records on December 2, 2014.

ATTEST:

  
\_\_\_\_\_  
Village Clerk, Village of Vernon Hills  
Lake County, Illinois

**EXHIBIT A**

**ESCROW LETTER AGREEMENT**

EXTRACT OF MINUTES of the regular public meeting of the President and Board of Trustees of the Village of Vernon Hills, Lake County, Illinois, held at the Village Hall, located at 290 Evergreen Drive, in said Village, at 7:00 p.m., on Tuesday, the 2nd day of December, 2014.

The President called the meeting to order and directed the Village Clerk to call the roll.

Upon the roll being called, the President, being physically present at such place and time, and the following Trustees, being physically present at such place and time, answered present:

Hebda, Marquardt, Schwartz, Schultz and Williams

The following Trustees were allowed by a majority of the Trustees in accordance with and to the extent allowed by rules adopted by the President and Board of Trustees to attend the meeting by video or audio conference: None

No Trustee was denied permission to attend the meeting by video or audio conference.

The following Trustees were absent and did not participate in the meeting in any manner or to any extent whatsoever: Koch

\* \* \* \* \*

There being a quorum present, various business of the President and Board of Trustees was conducted.

\* \* \* \* \*

The President and Board of Trustees then discussed a proposed bond issue for the Village and considered an ordinance providing for the issuance of General Obligation Bonds, Series 2014, of the Village, for the purpose of financing capital improvements within the Village and refunding certain outstanding bonds of the Village, authorizing the execution of an escrow letter

agreement in connection therewith, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

Thereupon, Trustee Schultz presented an ordinance entitled:

AN ORDINANCE providing for the issuance of \$5,630,000 General Obligation Bonds, Series 2014, of the Village of Vernon Hills, Lake County, Illinois, for the purpose of financing capital improvements within the Village and refunding certain outstanding bonds of the Village, authorizing the execution of an escrow letter agreement in connection therewith, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

(the "*Bond Ordinance*").

Trustee Schultz moved and Trustee Williams seconded the motion that the Bond Ordinance as presented be adopted.

A President Board of Trustees discussion of the matter followed. During the discussion, Finance Director Nakrin, gave a public recital of the nature of the matter, which included a reading of the title of the ordinance and statements (1) that the ordinance provided for the issuance of general obligation bonds for the purpose of financing capital improvements within the Village and refunding certain outstanding bonds of the Village, (2) that the bonds are issuable without referendum pursuant to the home rule powers of the Village, (3) that the ordinance authorizes the execution of an escrow letter agreement, (4) that the ordinance provides for the levy of taxes to pay the bonds, and (5) that the ordinance provides many details for the bonds, including tax-exempt status covenants, provision for terms and form of the bonds, and appropriations.

The President directed that the roll be called for a vote upon the motion to adopt the ordinance.

Upon the roll being called, the following Trustees voted AYE: Hebda, Marquardt, Schwartz, Schultz and Williams

and the following Trustees voted NAY: None

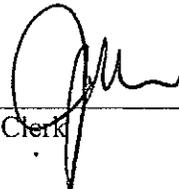
WHEREUPON, the President declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the Village Clerk to record the same in full in the records of the President and Board of Trustees of the Village of Vernon Hills, Lake County, Illinois.

\* \* \* \* \*

Other business was duly transacted at said meeting.

\* \* \* \* \*

Upon motion duly made and carried, the meeting adjourned.

  
\_\_\_\_\_  
Village Clerk

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF LAKE     )

**CERTIFICATION OF AGENDA, MINUTES AND ORDINANCE**

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Vernon Hills, Lake County, Illinois (the "*Village*"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the President and Board of Trustees (the "*Corporate Authorities*") thereof.

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting (the "*Meeting*") of the Corporate Authorities held on the 2nd day of December, 2014 insofar as the same relates to the adoption of an ordinance numbered 2014-044 and entitled:

AN ORDINANCE providing for the issuance of \$5,630,000 General Obligation Bonds, Series 2014, of the Village of Vernon Hills, Lake County, Illinois, for the purpose of financing capital improvements within the Village and refunding certain outstanding bonds of the Village, authorizing the execution of an escrow letter agreement in connection therewith, and providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds.

(the "*Ordinance*") a true, correct and complete copy of which Ordinance as adopted at the Meeting appears in the foregoing transcript of the minutes of the Meeting.

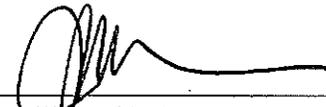
I do further certify that the deliberations of the Corporate Authorities on the adoption of the Ordinance were taken openly; that the vote on the adoption of the Ordinance was taken openly; that the Meeting was held at a specified time and place convenient to the public; that an agenda (the "*Agenda*") for the Meeting, including a specific item listed showing the proposed adoption of the Ordinance, was posted at the location where the Meeting was held and at the principal office of the Corporate Authorities (both of said locations being Village Hall) at least

48 hours in advance of the holding of the Meeting on Friday, November 28, 2014, and remained continuously so posted until the adjournment of said meeting; that attached hereto is a true, correct and complete copy of the Agenda; that notice of the Meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; and that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the provisions of the act and code so cited and with all of the procedural rules of the Corporate Authorities in the adoption of the Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the Village this 2nd day of December, 2014.

[SEAL]



  
\_\_\_\_\_  
Village Clerk

[ATTACH: AGENDA, MINUTES AND ORDINANCE]



290 Evergreen Drive · Vernon Hills, IL 60061-2904 · 847-367-3700

**MEETING OF VILLAGE BOARD  
VILLAGE OF VERNON HILLS  
DECEMBER 2, 2014  
7:00 PM**

- I. Call to Order
- II. Roll Call
- III. Pledge of Allegiance
- IV. Citizens Wishing to Address the Board
- V. Officials Reports
  - A. Village President
    1. Proclamation – National Drunk and Drugged Driving (3D) Prevention Month – December
  - B. Village Manager
  - C. Assistant Village Manager
  - D. Finance Director/Treasurer
  - E. Chief of Police
  - F. Public Works Director/Village Engineer
  - G. Building Commissioner

VI. Omnibus Vote Agenda

Items under the Omnibus Vote Agenda are considered routine and/or non-controversial and will be approved by one motion. If any one (board member, staff, or citizen) wishes to have a separate vote on any item, it will be pulled from the Omnibus Vote Agenda and voted on separately.

A. DEPARTMENT REPORTS

1. POLICE DEPARTMENT REPORT – OCTOBER 2014

B. APPROVAL OF VOUCHER LIST OF BILLS DATED DECEMBER 2, 2014 IN THE AMOUNT OF \$274,333.47

C. APPROVAL AND PASSAGE OF RESOLUTION 2014-183 -A RESOLUTION FOR IMPROVEMENT BY VILLAGE OF VERNON HILLS UNDER THE ILLINOIS MUNICIPAL HIGHWAY CODE IN THE AMOUNT OF \$114,723.12

VII. Unfinished/Additional Business

A. APPROVAL OF KEMPER VOUCHER LIST OF BILLS DATED DECEMBER 2, 2014 IN THE AMOUNT OF \$6,550.62

B. APPROVAL OF THE NOVEMBER 18, 2014 SPECIAL VILLAGE BOARD MEETING MINUTES

C. APPROVAL OF THE NOVEMBER 18, 2014 REGULAR VILLAGE BOARD MEETING MINUTES

VIII. New Business/Communications

- A. APPROVAL AND PASSAGE OF ORDINANCE 2014-044 - AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2014, OF THE VILLAGE, FOR THE PURPOSE OF FINANCING CAPITAL IMPROVEMENTS WITHIN THE VILLAGE AND REFUNDING CERTAIN OUTSTANDING BONDS OF THE VILLAGE, AUTHORIZING THE EXECUTION OF AN ESCROW LETTER AGREEMENT IN CONNECTION THEREWITH, AND PROVIDING FOR THE LEVY AND COLLECTION OF A DIRECT ANNUAL TAX FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS
- B. APPROVAL AND PASSAGE OF RESOLUTION 2014-182 - A RESOLUTION AUTHORIZING APPROVAL FOR WAIVING THE COMPETITIVE BIDDING PROCESS FOR THE INSTALLATION OF SPORTFIELD LIGHTING AT THE VERNON HILLS ATHLETIC COMPLEX AND CONTRACTING WITH MUSCO SPORTS LIGHTING, LLC. IN AN AMOUNT NOT TO EXCEED \$300,000

IX. Recess/Adjournment

A closed session to discuss land acquisition-[Sec. 2(c)(5)]; litigation-[Sec. 2(c) (11)]; personnel-[Sec. 2(c)(1)]; approval of minutes is scheduled

**THE COMMITTEE OF THE WHOLE MEETING WILL IMMEDIATELY FOLLOW  
THE REGULAR BOARD MEETING**

The Village of Vernon Hills is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and require certain accommodations in order to allow them to observe and/or participate in this meeting, or have questions regarding the accessibility of the meeting or the facilities, should contact Assistant Village Manager Joe Carey at (847)918-3540 promptly to allow the Village to make reasonable accommodations for those persons.

**MINUTES OF THE REGULAR MEETING  
OF THE PRESIDENT AND BOARD OF TRUSTEES  
OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS  
HELD DECEMBER 2, 2014**

- I. President Byrne called the meeting to order at 7:07p.m.
- II. Roll call indicated the following Board Members present: President Byrne, Trustees Hebda, Marquardt, Schultz, Schwartz, and Williams. Trustee Koch was absent. A quorum was established.

Also present were: Village Manager Kalmar, Assistant Village Manager Carey, Finance Director Nakrin, Assistant Finance Director Larson, Chief Fleischhauer, Public Works Director Brown Building Commissioner Atkinson, Attorney Kenny and Recording Secretary DeAnda

- III. The Pledge of Allegiance was given.
- IV. Citizens Wishing to Address the Board
- V. Officials Reports

- A. Village President

1. **Proclamation – National Drunk and Drugged Driving (3D) Prevention Month – December**

President Byrne read a proclamation declaring December as National Drunk and Drugged Driving (3D) Prevention Month in the Village of Vernon Hills.

- B. Village Manager
- C. Assistant Village Manager
- D. Finance Director/Treasurer
- F. Chief of Police
- G. Public Works Director/Village Engineer
- H. Building Commissioner

- VI. Omnibus Vote Agenda

President Byrne called for a motion to approve the Omnibus Vote Agenda Items A-C.  
Motion by Trustee Schultz, second by Trustee Williams, granting approval of the Omnibus Vote Agenda Items A-C.

Roll call vote:

AYES: 5 – Hebda, Marquardt, Schwartz, Schultz, Williams

NAYS: 0 -None

ABSENT AND NOT VOTING: 1 – Koch

Motion carried.

- A. **DEPARTMENT REPORTS**

1. **POLICE DEPARTMENT REPORT – OCTOBER 2014**

- B. **APPROVAL OF VOUCHER LIST OF BILLS DATED DECEMBER 2, 2014 IN THE AMOUNT OF \$274,333.47**

- C. **APPROVAL AND PASSAGE OF RESOLUTION 2014-183 -A RESOLUTION FOR IMPROVEMENT BY VILLAGE OF VERNON HILLS UNDER THE ILLINOIS MUNICIPAL HIGHWAY CODE IN THE AMOUNT OF \$114,723.12**

VII. Unfinished/Additional Business

**A. APPROVAL OF KEMPER VOUCHER LIST OF BILLS DATED DECEMBER 2, 2014 IN THE AMOUNT OF \$6,550.62**

Motion by Trustee Williams, second by Trustee Marquardt, to approve the KEMPER VOUCHER LIST OF BILLS DATED DECEMBER 2, 2014 IN THE AMOUNT OF \$6,550.62

Roll call vote:

AYES: 5 – Hebda, Marquardt, Schultz, Williams, Byrne

NAYS: 0 –None

ABSTAIN: 1 - Schwartz

ABSENT AND NOT VOTING: 1 – Koch

Motion carried.

**B. APPROVAL OF THE NOVEMBER 18, 2014 SPECIAL VILLAGE BOARD MEETING MINUTES**

Motion by Trustee Marquardt, second by Trustee Schultz, to approve the NOVEMBER 18, 2014 SPECIAL VILLAGE BOARD MEETING MINUTES

Roll call vote:

AYES: 4 – Hebda, Marquardt, Schultz, Williams

NAYS: 0 –None

ABSTAIN: 1 - Schwartz

ABSENT AND NOT VOTING: 1 – Koch

Motion carried.

**C. APPROVAL OF THE NOVEMBER 18, 2014 REGULAR VILLAGE BOARD MEETING MINUTES**

Motion by Trustee Schultz, second by Trustee Williams, to approve the NOVEMBER 18, 2014 REGULAR VILLAGE BOARD MEETING MINUTES

Roll call vote:

AYES: 4 – Hebda, Marquardt, Schultz, Williams

NAYS: 0 –None

ABSTAIN: 1 - Schwartz

ABSENT AND NOT VOTING: 1 – Koch

Motion carried.

VIII. New Business/Communications

**A. APPROVAL AND PASSAGE OF ORDINANCE 2014-044 - AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2014, OF THE VILLAGE, FOR THE PURPOSE OF FINANCING CAPITAL IMPROVEMENTS WITHIN THE VILLAGE AND REFUNDING CERTAIN OUTSTANDING BONDS OF THE VILLAGE, AUTHORIZING THE EXECUTION OF AN ESCROW LETTER AGREEMENT IN CONNECTION THEREWITH, AND PROVIDING FOR THE LEVY AND COLLECTION OF A DIRECT ANNUAL TAX FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS**

Motion by Trustee Schultz, second by Trustee Williams, to approve ORDINANCE 2014-044 - AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2014, OF THE VILLAGE, FOR THE PURPOSE OF FINANCING CAPITAL IMPROVEMENTS WITHIN THE VILLAGE AND REFUNDING CERTAIN OUTSTANDING BONDS OF THE VILLAGE, AUTHORIZING THE EXECUTION OF AN ESCROW LETTER AGREEMENT IN CONNECTION THEREWITH, AND PROVIDING FOR THE LEVY AND COLLECTION OF A DIRECT ANNUAL TAX FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS

Roll call vote:

AYES: 5 – Hebda, Marquardt, Schwartz, Schultz, Williams

NAYS: 0 -None

ABSENT AND NOT VOTING: 1 – Koch

Motion carried.

**B. APPROVAL AND PASSAGE OF RESOLUTION 2014-182 - A RESOLUTION AUTHORIZING APPROVAL FOR WAIVING THE COMPETITIVE BIDDING PROCESS FOR THE INSTALLATION OF SPORTFIELD LIGHTING AT THE VERNON HILLS ATHLETIC COMPLEX AND CONTRACTING WITH MUSCO SPORTS LIGHTING, LLC. IN AN AMOUNT NOT TO EXCEED \$300,000**

Motion by Trustee Marquardt, second by Trustee Williams, to approve RESOLUTION 2014-182 - A RESOLUTION AUTHORIZING APPROVAL FOR WAIVING THE COMPETITIVE BIDDING PROCESS FOR THE INSTALLATION OF SPORTFIELD LIGHTING AT THE VERNON HILLS ATHLETIC COMPLEX AND CONTRACTING WITH MUSCO SPORTS LIGHTING, LLC. IN AN AMOUNT NOT TO EXCEED \$300,000

Roll call vote:

AYES: 6 – Hebda, Marquardt, Schwartz, Schultz, Williams, Byrne

NAYS: 0 -None

ABSENT AND NOT VOTING: 1 – Koch

Motion carried.

**President Byrne congratulated Finance Director Larry Nakrin on his 30 years of service to the Village of Vernon Hills.**

**IX. Recess/Adjournment**

Motion by Trustee Williams, second by Trustee Schultz, to adjourn the Village Board meeting and go into Committee of the Whole. An Executive Session is scheduled to discuss personnel and litigation.

Roll call vote:

AYES: 5 – Hebda, Marquardt, Schwartz, Schultz, Williams

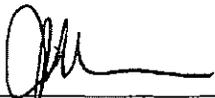
NAYS: 0 – None

ABSENT AND NOT VOTING: 1 – Koch

Motion carried.

The Village Board meeting was adjourned at 7:39p.m.

Approved this 16th day of December 2014



John Kalmar, Village Manager/Clerk



Roger L. Byrne, President

ld





STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF LAKE     )

**CERTIFICATE OF REDUCTION OF TAXES  
HERETOFORE LEVIED FOR THE PAYMENT OF BONDS**

TO THE COUNTY CLERK OF THE COUNTY OF LAKE, ILLINOIS:

We, the undersigned, being the duly qualified and acting Village Treasurer and the Village Clerk of the Village of Vernon Hills, Lake County, Illinois (the "*Village*"), having been directed and authorized by the President and Board of Trustees of the Village (the "*Corporate Authorities*") to prepare and file this Certificate, do hereby certify and notify you as follows:

1. That the Village has heretofore issued its general obligation bonds for various municipal purposes as authorized by the Illinois Municipal Code, as amended, and the home rule powers of the Village (collectively, the "*Act*").

2. That in accordance with the Act, the Village has levied taxes to pay maturing principal and interest on its general obligation bonds and has filed such levies in your office.

3. That a portion of the bonds of the Village that are presently outstanding and that have not been refunded (the "*Prior Bonds*") are described as follows:

SERIES AND DATE OF BONDS	ORIGINAL PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING	BOND ORDINANCE ADOPTED ON	BOND ORDINANCE FILED WITH COUNTY CLERK ON
2007; 4-15-2007	\$3,000,000	\$2,230,000	4-10-07	4-13-07

4. That the amounts levied to pay the Prior Bonds in and for each of the years prior to 2014 have been collected and received by the Village or are in the process of extension and collection or have been abated by the Village.

5. That the Corporate Authorities have authorized the issuance of \$5,630,000 General Obligation Bonds, Series 2014, dated December 30, 2014, of the Village (the "*Refunding Bonds*").

6. That a portion of the proceeds of the Refunding Bonds will be used for the purpose of refunding a portion of the Prior Bonds described in paragraph 3 hereof as follows:

(a) \$2,100,000 General Obligation Bonds (Alternate Revenue Source), Series 2007, dated April 15, 2007, being a portion of the bonds outstanding from an issue in the original principal amount of \$3,000,000, fully registered and without coupons, due on March 30 of the years and in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2016	\$135,000	4.000%
2017	140,000	4.000%
2018	150,000	4.000%
2021	490,000	4.000%
2024	555,000	4.050%
2027	630,000	4.125%

all of which bonds are subject to redemption on March 30, 2016.

7. That pursuant to the Act, you are hereby notified and directed to make proper reduction of the taxes heretofore levied for the years 2014 (collectible in 2015) to 2025, inclusive, for the payment of the Prior Bonds described in paragraph 3 hereof by abating all of said taxes levied for said years for such purpose.

8. That the ordinance adopted by the Corporate Authorities on the 2nd day of December, 2014, authorizing the Refunding Bonds (the "*Bond Ordinance*") prescribes all details thereof and provides for the levy and collection of a direct annual tax upon all the taxable property within the Village to pay the principal thereof and interest thereon as the Refunding Bonds mature.

9. That certified copy of the Bond Ordinance has been filed in your offices as County Clerk of The County of Lake, Illinois, and constitutes the authority for the extension and collection of the taxes to pay the principal and interest on the Refunding Bonds.

10. That you are notified and directed that such refunding bond and interest taxes shall be levied and collected as set forth in the Bond Ordinance in like manner as the general taxes for the Village and shall not be included within any limitation of rate for general purposes now or hereafter provided by law but shall be excluded therefrom and be in addition thereto and in excess thereof.

11. That except as set forth in paragraph 7 hereof, the taxes heretofore levied by the Village for the payment of principal of or interest on its bonds should not be abated at this time.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the Village  
this 2nd day of December, 2014.

  
Village Treasurer  
Village of Vernon Hills, Lake County, Illinois

ATTEST:

  
\_\_\_\_\_  
Village Clerk  
Village of Vernon Hills, Lake County, Illinois

[SEAL]



RECEIPT IS HEREBY ACKNOWLEDGED this 19<sup>th</sup> day of December, 2014, of a duplicate original of this CERTIFICATE OF REDUCTION OF TAXES HERETOFORE LEVIED FOR THE PAYMENT OF BONDS, manually executed by the Village Treasurer and Village Clerk of the Village of Vernon Hills, Lake County, Illinois, and it is hereby certified that the same has been deposited in the official files and records of my office and that the taxes heretofore levied for the years 2014 to 2025, inclusive, for the payment of the Prior Bonds as described in said Certificate will be reduced and abated as provided in paragraph 7 of said Certificate.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this 19<sup>th</sup> day of December, 2014.

Carla N. Wyckoff 159  
County Clerk of The County of Lake, Illinc

[SEAL]



UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
THE COUNTY OF LAKE  
VILLAGE OF VERNON HILLS  
GENERAL OBLIGATION BOND, SERIES 2014

This bond is one of a series of bonds (the "Bonds") in the aggregate principal amount of \$5,630,000 issued by the Village for the purpose of paying a part of the costs of a certain Project of the Village, paying the costs of refunding certain outstanding bonds of the Village, and of paying expenses incidental thereto, all as described and defined in the ordinance of the Village, passed by the President and Board of Trustees on the 2nd day of December, 2014, authorizing the Bonds (the "Ordinance"), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as supplemented and amended, the Local Government Debt Reform Act, as amended, and as further supplemented and, where necessary, superseded, by the powers of the Village as a home rule unit under the provisions of Section 6 of Article VII of the Illinois Constitution of 1970 (such statutory provisions and home rule powers being the "Act"), and with the Ordinance, which has been duly approved by the President, and published, in all respects as by law required

The Bonds may be subject to optional and mandatory redemption, and the holder of this Bond shall refer to the provisions of the Ordinance for the terms and provision for notice of redemption.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date or during the period of 15 days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or a portion of which has been called for redemption.

The Village and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Village nor the Bond Registrar shall be affected by any notice to the contrary

THE VILLAGE HAS DESIGNATED THIS BOND AS A "QUALIFIED TAX-EXEMPT OBLIGATION" WITHIN THE MEANING OF SECTION 265(B)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

ASSIGNMENT

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

Here insert Social Security Number,  
Employer Identification Number or  
other Identifying Number

---

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

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

Dated, \_\_\_\_\_

Signature guaranteed \_\_\_\_\_

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

December 30, 2014

The Bank of New York Mellon Trust  
Company, National Association  
Chicago, Illinois

Re: Village of Vernon Hills, Lake County, Illinois  
General Obligation Bonds, Series 2014

Ladies and Gentlemen:

The Village of Vernon Hills, Lake County, Illinois (the "*Village*"), by an ordinance adopted by its President and Board of Trustees on the 2nd day of December, 2014 (the "*Bond Ordinance*"), has authorized the issue and delivery of \$5,630,000 General Obligation Bonds, Series 2014, dated December 30, 2014 (the "*Bonds*"). The Village has authorized by the Bond Ordinance that proceeds of the Bonds be used to pay and redeem on March 30, 2015, the Village's outstanding and unpaid General Obligation Bonds (Alternate Revenue Source), Series 2007, dated April 26, 2007, maturing on March 30 of the years and bearing interest as follows (the "*Refunded Bonds*"):

YEAR	AMOUNT (\$)	RATE (%)
2015	130,000	4.000
2016	135,000	4.000
2017	140,000	4.000
2018	150,000	4.000
2021	490,000	4.000
2024	555,000	4.050
2027	630,000	4.125

The Village hereby deposits with you \$2,099,947.18 from the proceeds of the Bonds and \$42,532.50 from funds of the Village on hand and lawfully available and you are hereby instructed as follows with respect thereto:

1. Upon deposit, you are directed to fund a beginning cash escrow deposit on demand in the amount of \$0.68. You are further directed to purchase U.S. Treasury Securities (the "*Government Securities*") in the amount of \$2,142,479.00 and maturing as described in *Exhibit A* hereto. The beginning deposit and the Government Securities

shall be held in an irrevocable trust fund account (the "*Trust Account*") for the Village to the benefit of the holders of the Refunded Bonds.

2. You shall hold the proceeds and interest income or profits described therefrom and all uninvested cash in the Trust Account for the sole and exclusive benefit of the holders of the Refunded Bonds until payment of the Refunded Bonds on March 30, 2015 is made.

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

4. The Village has called the Refunded Bonds for redemption and payment prior to maturity on March 30, 2015. You are hereby directed to give timely notice of the call for redemption of the Refunded Bonds as paying agent for the Refunded Bonds. The form and time of the giving of such notice regarding the Refunded Bonds shall be as specified in the ordinance authorizing the issuance of the Refunded Bonds. The Village agrees to reimburse you for any actual out-of-pocket expenses incurred in the giving of such notice, but the failure of the Village to make such payment shall not in any respect whatsoever relieve you from carrying out any of the duties, terms or provisions of this Agreement.

5. You shall remit the sum of \$2,142,532.50 to the holders of the Refunded Bonds on or before March 30, 2015, as paying agent for the Refunded Bonds, such sum being sufficient to pay the principal of and interest on the Refunded Bonds on such date, and such remittance shall fully release and discharge you from any further duty or obligation thereto under this Agreement.

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

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

8. If at any time it shall appear to you that the available proceeds of the deposits on demand in the Trust Account will not be sufficient to pay the principal of and interest on the Refunded Bonds, you shall notify the Village not less than five (5) days prior to the March 30, 2015 payment date and the Village shall make up the anticipated deficit from any funds legally available for such purpose so that no default in the making of any such payment will occur.

Very truly yours,

VILLAGE OF VERNON HILLS,  
LAKE COUNTY, ILLINOIS

By \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Village Clerk, Village of Vernon Hills  
Lake County, Illinois

(VILLAGE SEAL)

Accepted this 30th day of December, 2014.

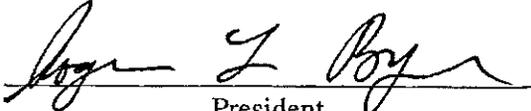
THE BANK OF NEW YORK MELLON TRUST  
COMPANY, NATIONAL ASSOCIATION  
Chicago, Illinois

By   
Its Vice President

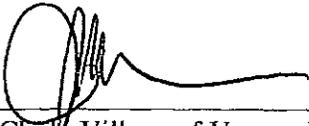
(BANK SEAL)

Very truly yours,

VILLAGE OF VERNON HILLS,  
LAKE COUNTY, ILLINOIS

By   
President

ATTEST:

  
Village Clerk, Village of Vernon Hills  
Lake County, Illinois



(VILLAGE SEAL)

Accepted this 30th day of December, 2014.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, NATIONAL ASSOCIATION  
Chicago, Illinois

By \_\_\_\_\_  
Its \_\_\_\_\_

(BANK SEAL)

**EXHIBIT A**

**GOVERNMENT SECURITIES**



BUREAU OF THE PUBLIC DEBT  
PARKERSBURG, WV 26106-0396

## SUBSCRIPTION CONFIRMATION

State and Local Government Series Securities

Treasury Case Number:	201404305
Program Type:	Time Deposit
Issue Amount:	\$2,142,479.00
Issue Date:	12/30/2014
Owner Name:	VILLAGE OF VERNON HILLS
TIN:	36-2689307
Rate Table Date:	12/02/2014
Status:	Complete
Confirmation Date:	12/02/2014
Confirmation Time:	12:48 PM EST



**SLGS Time Deposit  
Subscription View**

Date/Time: 12/02/2014 12:49 PM EST

Page: 1 of 2

**Issue Information**

Treasury Case Number 201404305  
Status Complete  
Issue Date 12/30/2014  
Issue Amount \$2,142,479.00  
Rate Table Date 12/02/2014

**Owner**

Taxpayer Identification Number 36-2689307  
Underlying Bond Issue VERNON HILLS 14 ESC REF 07  
Owner Name VILLAGE OF VERNON HILLS  
Address Line 1 290 EVERGREEN DRIVE  
Line 2  
Line 3  
City VERNON HILLS  
State IL  
Zip Code 60061  
Contact Name FINANCE DIRECTOR  
Telephone  
Fax  
E-mail

**Trustee**

ABA Routing Number 021000018  
Bank Reference Number  
Bank Name The Bank of New York Mellon Trust Company, N.A.  
Address Line 1 2001 Bryan Street, 11th Floor  
Line 2  
Line 3  
City Dallas  
State TX  
Zip Code 75201  
Contact Name gulnaar.murthy@bnymellon.com  
Telephone  
Fax  
E-mail gulnaar.murthy@bnymellon.com

**Funds for Purchase**

ABA Routing Number 021000018  
Bank Name The Bank of New York Mellon Trust Company, N.A.  
Contact Name gulnaar murthy@bnymellon.com  
Telephone  
Fax  
E-mail gulnaar murthy@bnymellon.com



**SLGS Time Deposit  
Subscription View**

Date/Time: 12/02/2014 12:49 PM EST

Page 2 of 2

**ACH Institutions & Instructions**

<b>ABA Routing Number</b> 021000018	<b>ABA Routing Number</b> 021000018
<b>Bank Name</b> The Bank of New York Mellon Trust Company NA	<b>Account Name</b> BNY TAS
<b>Address Line 1</b> 2001 Bryan Street 11th Floor	<b>Account Number</b> 8900101474
<b>Line 2</b>	<b>Account Type</b> Checking
<b>Line 3</b>	
<b>City</b> Dallas	
<b>State</b> TX	
<b>Zip Code</b> 75201	
<b>Contact Name</b> gulnaar.murthy@bnymellon.com	
<b>Telephone</b>	
<b>Fax</b>	
<b>E-mail</b> gulnaar.murthy@bnymellon.com	

**Subscriber**

**ABA/TIN** 021000018  
**Organization Name** The Bank of New York Trust Company, N.A.  
**Address Line 1** 2001 Bryan Street, 8th Floor  
**Line 2**  
**Line 3**  
**City** Dallas  
**State** TX  
**Zip Code** 75201  
**Contact Name** Gulnaar Murthy  
**Telephone** 214-468-6090  
**Fax** 214-468-6322  
**E-mail** gulnaar.murthy@bnymellon.com

**Viewers**

ABA/TIN	Organization Name
No Viewers Assigned	

**Securities**

Security Number	Security Type	Principal Amount	Interest Rate	Maturity Date	First Interest Payment Date	Security Description
1	C of I	\$2,142,479.00	0.010000000	03/30/2015		



# SPEER FINANCIAL, INC.

PUBLIC FINANCE CONSULTANTS SINCE 1954

KEVIN W. McCANNA  
PRESIDENT

DAVID F. PHILLIPS  
SR. VICE PRESIDENT

LARRY P. BURGER  
VICE PRESIDENT

DANIEL D. FORBES  
VICE PRESIDENT

BARBARA L. CHEVALIER  
VICE PRESIDENT

RAPHALIATA T. MCKENZIE  
VICE PRESIDENT

December 30, 2014

Village of Vernon Hills  
Vernon Hills, Illinois

Chapman and Cutler LLP  
Chicago, Illinois

The Bank of New York Mellon Trust Company  
Chicago, Illinois

We have prepared the computations of the debt service requirement (Exhibit I) and the debt service requirement through optional redemption on March 30, 2015 (Exhibit II), designed to refund a portion of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2007 (the "Refunded Bonds"), of the Village of Vernon Hills, Illinois.

In connection with this refunding, we have read the applicable portions of the legal opinion relating to the Refunded Bonds, insofar as the obligations are described with respect to principal outstanding, interest rates, maturity dates and redemption provisions. Based upon information provided by the Village, it is our understanding that none of the bonds to be refunded have been previously redeemed or canceled in advance of scheduled maturity.

In our opinion, based upon the information referred to in the previous paragraph and assuming all scheduled payments have been made through December 30, 2014, the computations relating to the Refunded Bonds are as presented.

The Refunded Bonds will be called for redemption on March 30, 2015. On December 30, 2014, bond proceeds from the underwriter Piper Jaffray & Co., Minneapolis, Minnesota, in the amount of \$2,142,479.00 will be deposited into an escrow account held by The Bank of New York Mellon Trust Company, National Association, Chicago, Illinois. These proceeds will be invested in a U.S. Treasury Certificate of Indebtedness - State and Local Government Series (SLGS) producing principal proceeds of \$2,142,479.00 and interest of \$52.82. This \$2,142,531.82 together with an initial cash deposit of \$0.68 is sufficient to pay \$2,142,532.50 on March 30, 2015 on the Refunded Bonds (Exhibit III).

We have not been requested to express an opinion on the tax status of the Bonds, and accordingly, we do not express such an opinion. Because the investment arrangements are based on assumptions, the achievement of which is dependent upon future events and transaction, as an independent financial advisor, we do not express an opinion on the attainability of the assumptions and the resultant projections.

For the Firm:

SPEER FINANCIAL, INC.

Mark R. Jeretina  
Assistant Vice President

Exhibit I

**VILLAGE OF VERNON HILLS**

General Obligation Bonds (Alternate Revenue Source), Series 2007

(Police Station and TIF)

"Final"

**Total Refunded Debt Service**

Date	Principal	Coupon	Interest	Total P+i
03/30/2015	-	4.000%	42,532.50	42,532.50
03/30/2016	135,000.00	4.000%	85,065.00	220,065.00
03/30/2017	140,000.00	4.000%	79,665.00	219,665.00
03/30/2018	150,000.00	4.000%	74,065.00	224,065.00
03/30/2019	155,000.00	4.000%	68,065.00	223,065.00
03/30/2020	165,000.00	4.000%	61,865.00	226,865.00
03/30/2021	170,000.00	4.000%	55,265.00	225,265.00
03/30/2022	175,000.00	4.050%	48,465.00	223,465.00
03/30/2023	185,000.00	4.050%	41,377.50	226,377.50
03/30/2024	195,000.00	4.050%	33,885.00	228,885.00
03/30/2025	200,000.00	4.125%	25,987.50	225,987.50
03/30/2026	210,000.00	4.125%	17,737.50	227,737.50
03/30/2027	220,000.00	4.125%	9,075.00	229,075.00
<b>Total</b>	<b>\$2,100,000.00</b>	-	<b>\$643,050.00</b>	<b>\$2,743,050.00</b>

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation	12/30/2014
Average Life	7.269 Years
Average Coupon	4.0732640%
Weighted Average Maturity (Par Basis)	7.269 Years

**Refunding Bond Information**

Refunding Dated Date	12/30/2014
Refunding Delivery Date	12/30/2014

Series 2007 Final | SINGLE PURPOSE | 12/2/2014 | 2:45 PM

Exhibit II

**VILLAGE OF VERNON HILLS**

General Obligation Bonds (Alternate Revenue Source), Series 2007

(Police Station and TIF)

'Final"

**Debt Service To Maturity And To Call**

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S	Fiscal Total
12/30/2014	-	-	-	-	-	-	-	-
03/30/2015	2,100,000.00	42,532.50	2,142,532.50	-	4.000%	42,532.50	42,532.50	42,532.50
09/30/2015	-	-	-	-	-	42,532.50	42,532.50	-
03/30/2016	-	-	-	135,000.00	4.000%	42,532.50	177,532.50	220,065.00
09/30/2016	-	-	-	-	-	39,832.50	39,832.50	-
03/30/2017	-	-	-	140,000.00	4.000%	39,832.50	179,832.50	219,665.00
09/30/2017	-	-	-	-	-	37,032.50	37,032.50	-
03/30/2018	-	-	-	150,000.00	4.000%	37,032.50	187,032.50	224,065.00
09/30/2018	-	-	-	-	-	34,032.50	34,032.50	-
03/30/2019	-	-	-	155,000.00	4.000%	34,032.50	189,032.50	223,065.00
09/30/2019	-	-	-	-	-	30,932.50	30,932.50	-
03/30/2020	-	-	-	165,000.00	4.000%	30,932.50	195,932.50	226,865.00
09/30/2020	-	-	-	-	-	27,632.50	27,632.50	-
03/30/2021	-	-	-	170,000.00	4.000%	27,632.50	197,632.50	225,265.00
09/30/2021	-	-	-	-	-	24,232.50	24,232.50	-
03/30/2022	-	-	-	175,000.00	4.050%	24,232.50	199,232.50	223,465.00
09/30/2022	-	-	-	-	-	20,688.75	20,688.75	-
03/30/2023	-	-	-	185,000.00	4.050%	20,688.75	205,688.75	226,377.50
09/30/2023	-	-	-	-	-	16,942.50	16,942.50	-
03/30/2024	-	-	-	195,000.00	4.050%	16,942.50	211,942.50	228,885.00
09/30/2024	-	-	-	-	-	12,993.75	12,993.75	-
03/30/2025	-	-	-	200,000.00	4.125%	12,993.75	212,993.75	225,987.50
09/30/2025	-	-	-	-	-	8,868.75	8,868.75	-
03/30/2026	-	-	-	210,000.00	4.125%	8,868.75	218,868.75	227,737.50
09/30/2026	-	-	-	-	-	4,537.50	4,537.50	-
03/30/2027	-	-	-	220,000.00	4.125%	4,537.50	224,537.50	229,075.00
<b>Total</b>	<b>\$2,100,000.00</b>	<b>\$42,532.50</b>	<b>\$2,142,532.50</b>	<b>\$2,100,000.00</b>	<b>-</b>	<b>\$643,050.00</b>	<b>\$2,743,050.00</b>	<b>-</b>

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation	12/30/2014
Average Life	7.269 Years
Average Coupon	4.0732640%
Weighted Average Maturity (Par Basis)	7.269 Years

**Refunding Bond Information**

Refunding Dated Date	12/30/2014
Refunding Delivery Date	12/30/2014

Series 2007 Final | SINGLE PURPOSE | 12/2/2014 | 2:45 PM

Exhibit III

**VILLAGE OF VERNON HILLS**

General Obligation Bonds, Series 2014

Current Refunding of Series 2007

FINAL

**Current Refunding Escrow**

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance	Fiscal Total
12/30/2014	-	-	-	0.68	-	0.68	-
03/30/2015	2,142,479.00	0.010%	52.82	2,142,531.82	2,142,532.50	-	2,142,532.50
Total	\$2,142,479.00	-	\$52.82	\$2,142,532.50	\$2,142,532.50	-	-

**Investment Parameters**

Investment Model (PV, GIC, or Securities)	Securities
Default investment yield target	Unrestricted

Cash Deposit	0.68
Cost of Investments Purchased with Bond Proceeds	2,142,479.00
Total Cost of Investments	\$2,142,479.68

Target Cost of Investments at bond yield	\$2,129,272.32
Actual positive or (negative) arbitrage	(13,207.36)

Yield to Receipt	0.0098616%
Yield for Arbitrage Purposes	2.4987821%

State and Local Government Series (SLGS) rates for	12/02/2014
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