



EXTRACT OF MINUTES of a regular public meeting of the President and Board of Trustees of the Village of Vernon Hills, Lake County, Illinois, held in the Board Room in the Village Hall, 290 Evergreen Drive, Vernon Hills, Illinois, in said Village, at 7:00 o'clock P.M. on the 16th day of May, 2017.

The President called the meeting to order and directed the Village Clerk to call the roll. Upon the roll being called, Roger Byrne, the President, and the following Trustees answered present at said location: Schultz, Marquardt, Koch, Takaoka, Hebda, Oppenheim

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

No Trustee was not permitted 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: None

The President announced that a proposal had been received from Robert W. Baird & Co., Incorporated, Milwaukee, Wisconsin, for the purchase of \$20,190,000 general obligation bonds to be issued by the Village pursuant to its home rule powers for the purpose of financing redevelopment costs within the Milwaukee Avenue/Townline Road Tax Increment Financing District (the "TIF District"), and that the Board would consider the adoption of an ordinance providing for the issue of such bonds (said bonds being general obligation bonds for which real property taxes, unlimited as to rate or amount, may be levied, but which are expected to be paid from the incremental taxes generated from the TIF District). The President also summarized the

pertinent terms of said proposal and said bonds, including the length of maturity, rates of interest, purchase price and tax levy for said bonds.

WHEREUPON, Trustee Schultz presented, and the Village Clerk made available to the Trustees and interested members of the public, complete copies of an ordinance entitled:

AN ORDINANCE providing for the issuance of \$20,190,000 Taxable General Obligation Bonds, Series 2017, of the Village of Vernon Hills, Lake County, Illinois, for the purpose of financing redevelopment costs within the Milwaukee Avenue/Townline Road Tax Increment Financing District, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said bonds, and authorizing the sale of said bonds to the winning bidder thereof, namely, Robert W. Baird & Co., Incorporated, Milwaukee, Wisconsin.



(the "Bond Ordinance").

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

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt the Bond Ordinance.

Upon the roll being called, the following Trustees voted AYE: Marquardt, Oppenheim, Takaoka, Hebda, Schultz

and the following Trustees voted NAY: Koch

WHEREUPON, the President declared the motion carried and the Bond 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.



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Village Clerk



**ORDINANCE 2017-065**

AN ORDINANCE providing for the issuance of \$20,190,000 Taxable General Obligation Bonds, Series 2017, of the Village of Vernon Hills, Lake County, Illinois, for the purpose of financing redevelopment costs within the Milwaukee Avenue/Townline Road Tax Increment Financing District, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said bonds, and authorizing the sale of said bonds to the winning bidder thereof, namely, Robert W. Baird & Co., Incorporated, Milwaukee, Wisconsin.

WHEREAS, the Village of Vernon Hills, Lake County, Illinois (the "*Village*"), has a population in excess of 25,000 as determined by the last official census, and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, the Village is a home rule unit and as such 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; and

WHEREAS, pursuant to the 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; and

WHEREAS, by proceedings set forth in full in the records of the Village, and pursuant to the Village's powers as a home rule unit and the provisions of the Tax Increment Allocation Redevelopment Act of the State of Illinois, as supplemented and amended (the "*Tax Increment Act*"), the President and Board of Trustees of the Village (the "*Board*") has heretofore approved a plan and project under the Tax Increment Act with respect to the redevelopment project area known as the "Milwaukee Avenue/Townline Road Redevelopment Project Area" (commonly known as the "*Mellody Farm Area*"), and further established the "Mellody Farm Tax Allocation Fund" (the "*Mellody Farm TIF Fund*") in connection therewith; and

WHEREAS, the Board has considered the needs of the Village and has determined and does hereby determine that it is necessary, desirable and in the best interests of the Village to

borrow at this time the sum of \$20,190,000 to finance redevelopment costs within the Milwaukee Avenue/Townline Road Tax Increment Financing District (commonly known as the "*Mellody Farm TIF District*"), including but not limited to land acquisition, public road improvements, off-site public improvements, site preparation costs and improvements and other eligible costs as provided in the Tax Increment Act (the "*Project*"); and

WHEREAS, it is in the best interest of the Village to issue bonds of the Village in the aggregate principal amount of \$20,190,000 to evidence said borrowing and for the purpose of paying costs of the Project; and

WHEREAS, the Bonds (as hereinafter defined) may be payable from the Mellody Farm TIF Fund, all as set forth below:

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. Incorporation of Preambles; Determination to Issue Bonds.* The Board hereby finds that all of the recitals contained in the preambles to this Ordinance are true, correct and complete and does incorporate them into this Ordinance by this reference. It is necessary and in the best interests of the Village for the public health, safety, welfare and convenience (a) to provide for the Project, (b) to pay all necessary or advisable related costs, including an amount for capitalized interest on the Bonds, and (c) to borrow money and issue the Bonds for the purpose of paying such costs. 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 provisions of the Illinois Municipal Code, as supplemented and amended, and the home rule powers of the Village under Section 6 of Article VII of the Illinois Constitution of 1970 (in the event of conflict between the provisions of said code and home rule powers, the home rule

powers shall be deemed to supersede the provisions of said code); and these findings and determinations shall be deemed conclusive.

*Section 2. Authorization.* It is hereby found and determined that the Board has been authorized by law to borrow the sum of \$20,190,000 upon the credit of the Village and as evidence of such indebtedness to issue bonds of the Village in said amount, the proceeds of said bonds to be used for the Project, and that it is necessary to borrow \$20,190,000 of said authorized sum and issue bonds in evidence thereof, and these findings and determinations, together with those set forth in the preambles to this Ordinance, shall be deemed conclusive.

*Section 3. Bond Details.* There be borrowed by for and on behalf of the Village the sum of \$20,190,000 for the purpose aforesaid, and that bonds of the Village shall be issued in said amount and shall be designated "Taxable General Obligation Bonds, Series 2017" (the "Bonds"). The Bonds shall be dated June 1, 2017, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each or authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds shall become due and payable serially (subject to prior redemption as hereinafter set forth) on March 30 of each of the years, in the amounts and bearing interest per annum as follows:

| YEAR OF MATURITY | PRINCIPAL AMOUNT | RATE OF INTEREST |
|------------------|------------------|------------------|
| 2021             | \$ 945,000       | 2.00%            |
| 2022             | 965,000          | 2.15%            |
| 2023             | 985,000          | 2.35%            |
| 2024             | 1,005,000        | 2.55%            |
| 2025             | 1,035,000        | 2.70%            |
| 2026             | 1,060,000        | 2.85%            |
| 2027             | 1,090,000        | 3.00%            |
| 2028             | 1,125,000        | 3.10%            |
| 2029             | 1,160,000        | 3.20%            |
| 2030             | 1,195,000        | 3.30%            |
| 2031             | 1,235,000        | 3.40%            |
| 2032             | 1,275,000        | 3.50%            |
| 2033             | 1,320,000        | 3.60%            |
| 2034             | 1,370,000        | 3.70%            |
| 2037             | 4,425,000        | 3.90%            |

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on March 30 and September 30 of each year, commencing on March 30, 2018.

Interest on each Bond shall be paid by check or draft of The Bank of New York Mellon Trust Company, National Association, Chicago, Illinois, as bond registrar and paying agent (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 15th day of the month of the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the principal corporate trust office of the Bond Registrar.

*Section 4. Execution; Authentication.* The Bonds shall be executed on behalf of the Village by the manual or facsimile signature of its President (the "President") and attested by the manual or facsimile signature of its Village Clerk, as they shall determine, and shall have

impressed or imprinted thereon the corporate seal or facsimile thereof 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 hereinafter set forth, 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 5. Registration of Bonds; Persons Treated as Owners. (a) General.* 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, which is hereby constituted and appointed the registrar of the Village for the Bonds. The Village is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the Village shall execute and the Bond Registrar

shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the 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*, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

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

No service charge shall be made for any transfer or exchange of Bonds, but the 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.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 3 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto ("*Cede*"), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns ("*DTC*"). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. Any officer of the Village who is a signatory on the Bonds is authorized to execute and deliver, on behalf of the Village, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "*Representation Letter*"), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the 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 the 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 the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the 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, and subject to the provisions in Section 3 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month of the applicable interest payment date, 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 certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the Village may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the Village, or such depository's agent or designee, and if the Village does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 5(a) hereof.

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

*Section 6. Redemption. (a) Optional Redemption.* The Bonds maturing on or after March 30, 2023, 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, 2022, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

(b) *Mandatory Redemption.* The Bonds due on March 30, 2037, 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 of the years and in the principal amounts as follows:

| YEAR | PRINCIPAL AMOUNT            |
|------|-----------------------------|
| 2035 | \$1,420,000                 |
| 2036 | 1,475,000                   |
| 2037 | 1,530,000 (stated maturity) |

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 Board shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

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

The Bond Registrar shall promptly notify the 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 7. 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 8. Form of Bond.* The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs [6] through [12] shall be inserted immediately after paragraph [1]:

[Form of Bond - Front Side]

REGISTERED  
NO. \_\_\_\_\_

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

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF LAKE

VILLAGE OF VERNON HILLS

TAXABLE GENERAL OBLIGATION BOND, SERIES 2017

See Reverse Side for  
Additional Provisions

Interest                      Maturity                      Dated  
Rate: \_\_\_\_\_%      Date: March 30, 20\_\_      Date: June 1, 2017      CUSIP: \_\_\_\_\_

Registered Owner:

Principal Amount:

[1] 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 March 30, 2018, 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 principal corporate trust office of The Bank of New York Mellon Trust Company, National

Association, Chicago, Illinois, as bond registrar and paying agent (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 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. For the prompt payment of this Bond both principal and interest at maturity, the full faith, credit and resources of the Village are hereby irrevocably pledged.

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

[3] It is hereby certified and recited that all conditions, acts and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, including the hereinafter defined Act, 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.

[4] 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.

[5] 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]

Date of Authentication: \_\_\_\_\_, 20\_\_

CERTIFICATE  
OF  
AUTHENTICATION

Bond Registrar and Paying Agent:  
The Bank of New York Mellon Trust  
Company, National Association,  
Chicago, Illinois

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the Taxable General Obligation Bonds, Series 2017, of the Village of Vernon Hills, Lake County, Illinois.

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

By \_\_\_\_\_  
SPECIMEN  
Authorized Officer

[Form of Bond - Reverse Side]

**VILLAGE OF VERNON HILLS**

**LAKE COUNTY, ILLINOIS**

**TAXABLE GENERAL OBLIGATION BOND, SERIES 2017**

[6] This Bond is one of a series of bonds (the "*Bonds*") issued by the Village for the purpose of paying a part of the costs of the Project, constituting proper eligible redevelopment project costs within the redevelopment project area of the Village designated under the Tax Increment Allocation Redevelopment Act, as amended, and known as the Milwaukee Avenue/Townline Road Redevelopment Project Area; and of paying expenses related or incidental thereto, including capitalized interest, all as described and defined in the ordinance of the Village, adopted by the President and Board of Trustees of the Village on the 16th day of May, 2017, authorizing the Bonds (the "*Ordinance*"), pursuant to and in all respects in compliance with the applicable provisions of the Illinois Municipal Code, as amended; 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; and as further supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended (collectively, such Illinois Municipal Code, constitutional home rule powers, and Reform Act being the "*Act*"), and with the Ordinance, which has been duly adopted by the President and Board of Trustees of the Village and approved by the President, in all respects as by law required.

[7] Bonds of the issue of which this Bond is one maturing on and after March 30, 2023, are 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 the Bonds of a single maturity to be selected by lot by the Bond Registrar), on March 30,

2022, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

[8] The Bonds due on March 30, 2037, 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 of the years and in the principal amounts as follows:

| YEAR | PRINCIPAL AMOUNT            |
|------|-----------------------------|
| 2035 | \$1,420,000                 |
| 2036 | 1,475,000                   |
| 2037 | 1,530,000 (stated maturity) |

[9] Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the Village maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

[10] This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[11] The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same

maturity of other authorized denominations, upon the terms set forth in the Ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

[12] 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.

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned sells, assign, 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 9. Sale of Bonds.* 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 of the Village (the "*Treasurer*"), and shall be by the Treasurer delivered to Robert W. Baird & Co., Incorporated, Milwaukee, Wisconsin, the purchaser thereof (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being \$19,988,100.00, plus accrued interest, if any, to date of delivery; the contract for the sale of the Bonds (the "*Purchase Contract*") heretofore entered into is in all respects ratified, approved and confirmed, and the officers of the Village designated in the Purchase Contract are authorized and directed to execute the Purchase Contract on behalf of the Village, it being hereby declared that, to the best of the knowledge and belief of the Board, 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.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the "*Official Statement*") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Village are hereby authorized to take any action as may be required on the part of the Village to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds.

*Section 10. Tax Levy; Expenditure from Melody Farm TIF Fund Abatement.* 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 on all of the

taxable property in the Village, in addition to all other taxes, the following direct annual tax, to-wit (the “*Pledged Taxes*”):

| FOR THE YEAR | A TAX SUFFICIENT TO PRODUCE THE SUM OF:   |
|--------------|---|
| 2017         | \$ 0.00 for interest and principal        |
| 2018         | \$ 0.00 for interest and principal        |
| 2019         | \$1,593,107.50 for interest and principal |
| 2020         | \$1,594,207.50 for interest and principal |
| 2021         | \$1,593,460.00 for interest and principal |
| 2022         | \$1,590,312.50 for interest and principal |
| 2023         | \$1,594,685.00 for interest and principal |
| 2024         | \$1,591,740.00 for interest and principal |
| 2025         | \$1,591,530.00 for interest and principal |
| 2026         | \$1,593,830.00 for interest and principal |
| 2027         | \$1,593,955.00 for interest and principal |
| 2028         | \$1,591,835.00 for interest and principal |
| 2029         | \$1,592,400.00 for interest and principal |
| 2030         | \$1,590,410.00 for interest and principal |
| 2031         | \$1,590,785.00 for interest and principal |
| 2032         | \$1,593,265.00 for interest and principal |
| 2033         | \$1,592,575.00 for interest and principal |
| 2034         | \$1,592,195.00 for interest and principal |
| 2035         | \$1,589,670.00 for interest and principal |

Principal or interest maturing at any time when there are not sufficient funds on hand from the Pledged Taxes to pay the same shall be paid from the general funds of the Village, and the fund from which such payment was made shall be reimbursed out of the Pledged Taxes when the same shall be collected. Interest up to and including March 30, 2020, will be paid from proceeds of the Bonds.

The Village covenants and agrees with the purchasers and the holders 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 Pledged Taxes and the Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

It is the present intention of the Board to utilize available Incremental Taxes in the Mellody Farm TIF Fund, along with such other funds of the Village as be necessary and on hand from time to time and lawfully available for such purpose (collectively, the "*TIF Funds*"), to pay the principal of and interest on the Bonds issued for the Project (after the provision for capitalized interest) and to abate the Pledged Taxes accordingly, to the extent such Incremental Taxes in the Mellody Farm TIF Fund are lawfully permitted to be used for such purpose. "*Incremental Taxes*" means the incremental taxes available in the Mellody Farm TIF Fund pursuant to the Tax Increment Act. The Village covenants to keep and account for the TIF Funds. The Village completely reserves unto itself the authority to issue future obligations without limit having such lien or pledge on the TIF Funds as the Board may determine, the Bonds herein having no express lien or pledge on the Incremental Taxes; *provided, however*, that if Incremental Taxes are available and may lawfully be used for such purpose, the Treasurer shall, without further order or direction, in each year, allocate such Incremental Taxes to the hereinafter defined Bond Fund and file such documents with the County Clerk of The County of Lake, Illinois (the "*County Clerk*") as shall effect a corresponding abatement of Pledged Taxes. Further, whenever other funds from any lawful source are determined by the Village to be available to pay any principal of or interest on the Bonds to enable the abatement of the taxes levied herein for the payment of same, the Board may, by proper proceedings, direct the deposit of such funds into the Bond Fund and further shall direct the abatement of the 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 11. Filing with County Clerk.* Forthwith upon the passage of this Ordinance, the Village Clerk is hereby directed to file a certified copy of this Ordinance with the County Clerk; and the County Clerk shall in and for each of the years 2019 to 2035, inclusive, ascertain

the rate necessary to produce the tax herein levied; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the Village for general corporate purposes of the Village; and, subject to abatement as stated hereinabove, in said 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 said years are levied and collected, and in addition to and in excess of all other taxes, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated "Bond and Interest Fund Account of 2017" (the "*Bond Fund*"), which taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds.

*Section 12. Use of Bond Proceeds.* Accrued interest, if any, received on the delivery of the Bonds and proceeds of the Bonds in the amount of \$1,834,504.28 are hereby appropriated for the purpose of paying interest due on the Bonds through March 30, 2020, and are hereby ordered deposited into the Bond Fund. The remainder of the principal proceeds of the Bonds are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of paying the cost of the Project, and that portion thereof not needed to pay such costs of issuance is hereby ordered deposited into the Capital Improvement Account of the Village (the "*Project Fund*"). Alternatively, the Treasurer may allocate such 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 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 Board reserves the right, as it becomes necessary from time to time, to revise the Project to meet current needs of the Village. At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser or the Bond Registrar on behalf of the Village from the proceeds of the Bonds.

*Section 13. Tax Matters.* 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 if taking, permitting or omitting to take such action would cause the interest on the Bonds to be excluded from the gross income of the recipients thereof for federal income tax purposes.

*Section 14. List of Bondholders.* The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

*Section 15. Duties of Bond Registrar.* If requested by the Bond Registrar, the President and Village Clerk are authorized to execute the Bond Registrar's standard form of agreement between the Village and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the Village upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of the Bonds as provided herein;
- (d) to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;
- (e) 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.

*Section 16. Continuing Disclosure Undertaking.* The President or Treasurer is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*") in connection with the issuance of the Bonds, with such provisions therein as he or she shall approve, his or her execution thereof to constitute

conclusive evidence of his or her approval of such provisions. 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 17. Defeasance.* Any Bond or Bonds (a) which are paid and cancelled, (b) which have matured and for which sufficient sums been deposited with the Bond Registrar to pay all principal and interest due thereon, or (c) (i) for which sufficient funds and Defeasance 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, pursuant to an irrevocable escrow or trust agreement, (ii) accompanied by an opinion of bond counsel as to compliance with the covenants with respect to such Bonds, and (iii) accompanied by an express declaration of defeasance by the Board; shall cease to have any lien on or right to receive or be paid from the Pledged Taxes 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 payment, registration, transfer, and exchange of the Bonds; are expressly continued for all Bonds whether outstanding Bonds or not. For purposes of this section, "*Defeasance*

*Obligations*” means (a) noncallable, non-redeemable, direct and general full faith and credit obligations of the United States Treasury (“*Directs*”), (b) certificates of participation or trust receipts in trusts comprised wholly of *Directs* or (c) other noncallable, non-redeemable, obligations unconditionally guaranteed as to timely payment by the United States Treasury.

*Section 18. Superseder and Effective Date.* All ordinances, resolutions, and orders, or parts thereof, in conflict herewith, 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: May 16, 2017

AYES: Marquardt, Oppenheim, Takaoka, Hebda, Schultz

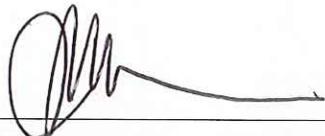
NAYS: Koch

ABSENT: None

Approved: May 16, 2017

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

ATTEST:

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

Recorded in the Village Records on May 16, 2017.

STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF LAKE        )

**CERTIFICATION OF ORDINANCE AND MINUTES**

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 records and files of the President and Board of Trustees of the Village (the "Board").

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 16th day of May, 2017, insofar as same relates to the adoption of Ordinance 2017-065 entitled:

AN ORDINANCE providing for the issuance of \$20,190,000 Taxable General Obligation Bonds, Series 2017, of the Village of Vernon Hills, Lake County, Illinois, for the purpose of financing redevelopment costs within the Milwaukee Avenue/Townline Road Tax Increment Financing District, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said bonds, and authorizing the sale of said bonds to the winning bidder thereof, namely, Robert W. Baird & Co., Incorporated, Milwaukee, Wisconsin.

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

I do further certify that the deliberations of the Board on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 96 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 96-hour period preceding said meeting, that said agenda contained a separate specific item concerning the proposed adoption of said ordinance, a true, correct and complete copy of the agenda as so posted being attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code, as amended, and that the Board has complied with all of the applicable provisions of said Act and said Code and its procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village,  
this 16th day of May, 2017.



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Village Clerk

[SEAL]

