



LAKE COUNTY FOREST PRESERVES
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Preservation, Restoration, Education and Recreation

DATE: June 27, 2019

MEMO TO: Terry Wilke, Chair
Finance Committee

Agenda Item# 9.1

FROM: Steve Neaman
Director of Finance

RECOMMENDATION: Recommend approval of an Ordinance authorizing the sale of refunding bonds in an amount not to exceed \$26,000,000.00 to refund the outstanding portion of Series 2011 bonds, if current market conditions remain favorable.

STRATEGIC DIRECTION SUPPORTED: Organizational Sustainability.

FINANCIAL DATA: It is currently estimated that the net present value savings from refunding these bonds is over \$1.7 million.

BACKGROUND: With the help of our financial advisor, Speer Financial, the District monitors bond markets to see if it would make financial sense to refund prior outstanding General Obligation Bonds. Conditions are currently favorable to refinance the 2011 bond issue. The estimated net present value would save over \$1.7 million dollars at this time. Staff recommends refunding these bonds.

The bonds would be scheduled to be sold at auction either during the week of August 26 or September 2, 2019 with a report to the Board at its meeting on September 10, 2019. Attached is an analysis from Speer detailing the refinancing and a tentative bond sale timetable. If the market rates deteriorate significantly by that time we can postpone the sale. Designated officers to approve the sale are the President, Treasurer, and Finance Committee Chair as elected officials; and Executive Director and Director of Finance as appointed officials.

REVIEW BY OTHERS: Executive Director, Chief Operations Officer, Bond Counsel, Corporate Counsel.

AN ORDINANCE providing for the issue of not to exceed \$26,000,000 General Obligation Refunding Bonds of the Lake County Forest Preserve District, Lake County, Illinois, for the purpose of refunding certain outstanding bonds of said Forest Preserve District, authorizing and directing the execution of an Escrow Agreement in connection therewith, providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds, and authorizing the sale of said bonds to the purchaser thereof.

* * *

WHEREAS, the Lake County Forest Preserve District, Lake County, Illinois (the "*District*"), is a duly organized and existing forest preserve district created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Downstate Forest Preserve District Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto; and

WHEREAS, the District has outstanding General Obligation and Acquisition and Development Bonds, Series 2011, dated November 30, 2011 (the "*Prior Bonds*"); and

WHEREAS, it is necessary and desirable to refund all or a portion of the Prior Bonds (said Prior Bonds to be refunded being referred to herein as the "*Refunded Bonds*"), in order to realize debt service savings for the District; and

WHEREAS, the Refunded Bonds shall be fully described in the Escrow Agreement referred to in Section 12 hereof and are presently outstanding and unpaid and are binding and subsisting legal obligations of the District; and

WHEREAS, in accordance with the terms of the Refunded Bonds, the Refunded Bonds may be called for redemption in advance of their maturity, and it is necessary and desirable to make such call for the redemption of the Refunded Bonds on their earliest possible and practicable call date, and provide for the giving of proper notice to the registered owners of the Refunded Bonds; and

WHEREAS, the Board of Commissioners of the District (the "*Board*") has determined that in order to refund the Refunded Bonds, it is necessary to borrow an amount not to exceed \$26,000,000 and issue bonds of the District therefor; and

WHEREAS, the bonds to be issued hereunder shall be issued pursuant to the provisions of the Forest Preserve District Refunding Bond Act of the State of Illinois, as amended (the "*Refunding Bond Act*"), and as such it is not necessary to submit a proposition for the issuance of said bonds to the voters of the District for approval; and

WHEREAS, the bonds to be issued hereunder shall be payable from a direct annual ad valorem tax levied against all taxable property in the District, without limitation as to rate or amount; and

WHEREAS, the Property Tax Extension Limitation Law of the State of Illinois, as amended, imposes certain limitations on the "*aggregate extension*" of certain property taxes levied by the District, but provides that the definition of "*aggregate extension*" applicable to the District contained in Section 18-185 of the Property Tax Code of the State of Illinois, as amended, does not include "extensions made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund bonds issued after October 1, 1991 that were approved by referendum"; and

WHEREAS, the Board does hereby find and determine that the Prior Bonds were issued after October 1, 1991 and were approved by referendum; and

WHEREAS, the County Clerk (the "*County Clerk*") of The County of Lake, Illinois, is therefore authorized to extend and collect said tax so levied for the payment of the bonds to be issued hereunder without limitation as to rate or amount:

NOW, THEREFORE, Be It Ordained by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois, as follows:

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

Section 2. Authorization. It is hereby found and determined that the Board has been authorized by law to borrow the sum of \$26,000,000 upon the credit of the District and as evidence of such indebtedness to issue bonds of the District to said amount, the proceeds of said bonds to be used to refund the Refunded Bonds, and that it is necessary and for the best interests of the District that there be issued an amount not to exceed \$26,000,000 of the bonds so authorized.

Section 3. Bond Details. There shall be borrowed on the credit of and for and on behalf of the District the sum of not to exceed \$26,000,000 for the purpose aforesaid; and bonds of the District shall be issued to said amount in one or more series and shall be designated "General Obligation Refunding Bonds" with such series designation as may be appropriate (the "Bonds"). Each series of Bonds shall be dated such date (not prior to July 10, 2019, and not later than January 10, 2020) as set forth in the Bond Notification therefor, 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 in each series shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward within each series. The Bonds shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter set forth) on December 15 of each of the years (not later than 2035), in the amounts (not exceeding \$2,300,000 per year for all series combined) and bearing interest at the rates per annum (not exceeding 5.00% per annum) as set forth in the Bond Notification therefor. 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 semi-annually commencing with the first interest payment date as set forth in the Bond Notification therefor, and on June 15 and December 15 of each year thereafter to maturity.

Interest on each Bond shall be paid by check or draft of Amalgamated Bank of Chicago, Chicago, Illinois (the "*Bond Registrar*"), payable upon presentation 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 1st day of the month of the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

The Bonds shall be signed by the manual or facsimile signatures of the President and Secretary of the Board, and shall be countersigned by the manual or facsimile signature of the Treasurer of the Board, as they shall determine, and the seal of the District shall be affixed thereto or printed thereon, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the District and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of

authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 4. Registration of Bonds; Persons Treated as Owners. (a) General. The District 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 District. The District is authorized to prepare, and the Bond Registrar or such other authorized person as the officers of the District may designate shall keep custody of, multiple Bond blanks executed by the District 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 District 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 series and 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 series and maturity of other authorized denominations. The execution by the District 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 series and maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such series and 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 1st 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 and 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 District 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.* If requested by the purchaser of the Bonds, the following provisions shall apply: 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. The President and Secretary of the Board, the Director of Finance of the District and the Bond Registrar are each authorized to execute and

deliver, on behalf of the District, 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 District 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 District 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 District 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 the principal of 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 District'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 District to make payments of principal of 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 the Bonds at the close of business on the 1st 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 District determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the District, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the District determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the District 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 District 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 District, or such depository's agent or designee, and if the District 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 4(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 the

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 5. Redemption. (a) Optional Redemption. All or a portion of the Bonds due on or after the date, if any, specified in the Bond Notification therefor, shall be subject to redemption prior to maturity at the option of the District from any available funds, as a whole or in part, and if in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single series and maturity to be selected by the Bond Registrar), on the date specified in said Bond Notification (but not later than 10-1/2 years from the date of issuance), and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

(b) Mandatory Redemption. The Bonds maturing on the date or dates, if any, indicated in the Bond Notification therefor shall be 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 December 15 of the years, if any, and in the principal amounts, if any, as indicated in said Bond Notification.

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 District 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 District 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 District 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 6. 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 District 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 District 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 District, 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 District 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 District 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 District 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 7. 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 paragraph [6] and the paragraphs thereafter as may be appropriate 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

LAKE COUNTY FOREST PRESERVE DISTRICT

GENERAL OBLIGATION REFUNDING BOND, SERIES 20__

See Reverse Side for
Additional Provisions

Interest Maturity Dated
Rate: ____% Date: December 15, 20__ Date: _____, 20__ CUSIP: 508354__

Registered Owner: [Cede & Co.]

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Lake County Forest Preserve District, Lake County, Illinois (the "*District*"), 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 date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on June 15 and December 15 of each year, commencing [June 15, 2020], until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal corporate trust office of Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent (the "*Bond Registrar*"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the

registration books of the District maintained by the Bond Registrar at the close of business on the 1st day of the month of each interest payment date and 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 District 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 law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the District, including the issue of bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it 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, said Lake County Forest Preserve District, Lake County, Illinois, by its Board of Commissioners, has caused this Bond to be signed by the manual or duly authorized facsimile signatures of the President and Secretary of said Board of Commissioners, and to be countersigned by the manual or duly authorized facsimile signature of the Treasurer thereof, and has caused the seal of the District to be affixed hereto or printed hereon, all as of the Dated Date identified above.

(SEAL)

Countersigned:

SPECIMEN
Treasurer, Board of Commissioners

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

SPECIMEN
President, Board of Commissioners

SPECIMEN
Secretary, Board of Commissioners

Bond Registrar and Paying Agent:
Amalgamated Bank of Chicago,
Chicago, Illinois

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the General Obligation Refunding Bonds, Series 20__, of the Lake County Forest Preserve District, Lake County, Illinois.

AMALGAMATED BANK OF CHICAGO,
as Bond Registrar

By _____
SPECIMEN
Authorized Officer

[Form of Bond - Reverse Side]

LAKE COUNTY FOREST PRESERVE DISTRICT

LAKE COUNTY, ILLINOIS

GENERAL OBLIGATION REFUNDING BOND, SERIES 20__

[6] This Bond is one of a series of bonds issued by the District for the purpose of refunding certain outstanding bonds of the District, in full compliance with the provisions of the Downstate Forest Preserve District Act of the State of Illinois, the Forest Preserve District Refunding Bond Act of the State of Illinois, and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and is authorized by an ordinance duly and properly adopted by the Board of Commissioners of the District for that purpose, in all respects as provided by law.

[7] [Optional and Mandatory Redemption provisions, as applicable, will be inserted here].

[8] [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 District 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, the Bonds 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.]

[9] 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 authorizing ordinance, and upon surrender and cancellation of this Bond.

Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[10] 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 authorizing 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 1st 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].

[11] The District 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 District nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature guaranteed: _____

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

Section 8. Sale of Bonds. The President of the Board (elective), Treasurer of the Board (elective), Chair of the Finance and Administrative Committee (elective), Executive Director (appointive) and Director of Finance (appointive), provided, however, that subject to the provisions of this Ordinance, any act required of more than one of such officers shall be done by not less than one elected officer and one appointive officer (the "*Designated Representatives*"), are hereby authorized to proceed not later than the 10th day of January, 2020, without any further authorization or direction from the Board, to sell the Bonds in one or more series upon the terms as prescribed in this Ordinance. Each series of Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of the Bond Notification therefor as may be, and thereupon be deposited with the Treasurer of the Board, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to the purchaser thereof (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being not less than 98% of the principal amount of said Bonds (exclusive of original issue discount or premium), plus accrued interest, if

any, to date of delivery. The Purchaser of each series of the Bonds shall be (a) the best bidder for said Bonds at a competitive sale conducted by the District's independent municipal advisor, Speer Financial, Inc., Chicago, Illinois ("*Speer*"), (b) a bank or firm with its principal office located in the State of Illinois or listed in the Dealers & Underwriters or Municipal Derivatives sections of the most recent edition of The Bond Buyer's Municipal Marketplace, or (c) a governmental unit as defined in the Local Government Debt Reform Act of the State of Illinois, *provided, however*, that the Purchaser as set forth in either (b) or (c) shall be selected only upon receipt by the District of the written recommendation of Speer that the sale of said Bonds on a negotiated or private placement basis to said Purchaser is in the best interest of the District because of (i) the pricing of said Bonds by said Purchaser, (ii) market conditions or (iii) the timing of the sale of said Bonds.

Prior to the sale of each series of Bonds, the President of the Board or the Director of Finance of the District is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure said Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on said Bonds treating the fee paid as interest on said Bonds) is less than the present value of the interest reasonably expected to be saved on said Bonds over the term of said Bonds as a result of the Municipal Bond Insurance Policy.

Upon the sale of each series of Bonds, the Designated Representatives shall prepare a Notification of Sale of said Bonds, which shall include the pertinent details of sale as provided herein (the "*Bond Notification*"). In each Bond Notification, the Designated Representatives shall find and determine, aided by Speer, that the Bonds described therein have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of said Bonds does not exceed the maximum rate otherwise authorized by

applicable law, and that the net present value debt service savings to the District as a result of the issuance of said Bonds and the refunding of the Refunded Bonds is not less than 5.0% of the principal amount of the Refunded Bonds. Each Bond Notification shall be entered into the records of the District and made available to the Board at the next regular meeting thereof; but such action shall be for information purposes only, and the Board shall have no right or authority at such time to approve or reject such sale as evidenced in said Bond Notification.

Upon the sale of each series of Bonds, as evidenced by the execution and delivery of a Bond Notification by the Designated Representatives, the Designated Representatives and any officers of the District, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of said Bonds as may be necessary, including, without limitation, the contract for the sale of said Bonds between the District and the Purchaser thereof (the "*Purchase Contract*"). Prior to the execution and delivery of each Purchase Contract, the Designated Representatives shall find and determine that no person holding any office of the District, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in said Purchase Contract, in any manner prohibited by law.

The use by a 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 Board are hereby authorized to take any action as may be required on the part of the District to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 9. Tax Levy. In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the

principal thereof at maturity, there is hereby levied upon all the taxable property within the District a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and there is hereby levied upon all of the taxable property in the District, the following direct annual tax, to-wit:

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2019	\$1,400,000.00	for principal and interest up to and including December 15, 2020
2020	\$2,185,250.00	for principal and interest
2021	\$2,181,700.00	for principal and interest
2022	\$2,182,100.00	for principal and interest
2023	\$2,186,300.00	for principal and interest
2024	\$2,184,150.00	for principal and interest
2025	\$2,182,187.50	for principal and interest
2026	\$2,181,900.00	for principal and interest
2027	\$2,183,000.00	for principal and interest
2028	\$2,184,200.00	for principal and interest
2029	\$2,182,800.00	for principal and interest
2030	\$2,183,800.00	for principal and interest
2031	\$2,182,000.00	for principal and interest
2032	\$2,182,400.00	for principal and interest
2033	\$2,184,800.00	for principal and interest
2034	\$2,184,000.00	for principal and interest

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the District, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected.

The District covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding, the District will take no action or fail to take any action which in any way would adversely affect the ability of the District to levy and collect the foregoing tax levy and the District and its officers will comply with all present and future applicable laws in order to assure that the foregoing 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.

To the extent that the taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Notification(s), the President, Secretary and Treasurer of the Board are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in the following bond year. Proper notice of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement.

Section 10. Filing of Ordinance and Certificate of Reduction of Taxes. Forthwith upon the passage of this Ordinance, the Secretary of the Board is hereby directed to file a certified copy of this Ordinance with the County Clerk, and it shall be the duty of the County Clerk to in and for the years 2019 to 2034, inclusive, ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the District in connection with other taxes levied in said years for general purposes, in order to raise the amount aforesaid and in said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general purposes of the District, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated "Refunding Bond and Interest Sinking Fund Account of 2019" (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.

The President, Secretary and Treasurer of the Board be and the same are hereby directed to prepare and file with the County Clerk, one or more Certificates of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Prior Bonds being refunded and

directing the abatement of the taxes heretofore levied to pay the Refunded Bonds, all as provided by Section 5 of the Refunding Bond Act.

Section 11. Use of Taxes Heretofore Levied. All proceeds received or to be received from any taxes heretofore levied to pay principal and interest on the Refunded Bonds shall be used to pay the principal of and interest on the Refunded Bonds and to the extent that such proceeds are not needed for such purpose because of the refunding of the Refunded Bonds, the same shall be deposited into the Bond Fund and used to pay principal and interest on the Bonds in accordance with all of the provisions of this Ordinance.

Section 12. Use of Bond Proceeds. Accrued interest, if any, received on the delivery of the Bonds and proceeds of the Bonds (representing capitalized interest) in the amount set forth in the Bond Notification(s) (not to exceed \$750,000 for all series) are hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. Interest received from investing the Bond Fund shall be retained in the Bond Fund for payment of the Bonds on the interest payment date next after such interest is received or, to the extent permitted by law, transferred by the Board to such other fund of the District as the Board may designate.

Simultaneously with the delivery of the Bonds, the principal proceeds of the Bonds, together with any premium received from the sale of the Bonds and such additional amounts as may be necessary from the general funds of the District, are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of refunding the Refunded Bonds. That portion thereof not needed to pay such costs of issuance is hereby ordered deposited into an escrow account pursuant to an escrow letter agreement in the form now before the Board and attached hereto as *Exhibit A* (the "*Escrow Agreement*") to be entered into between the District and Amalgamated Bank of Chicago, Chicago, Illinois, or such other bank or trust company as set

forth in any Bond Notification (the "*Escrow Agent*"), and made a part hereof by this reference, or with such changes therein as shall be approved by the officers of the District executing the Escrow Agreement, such execution to constitute evidence of the approval of such changes, for the purpose of refunding the Refunded Bonds. The Board approves the form, terms and provisions of the Escrow Agreement and directs the President of the Board and Director of Finance of the District to execute, attest and deliver the Escrow Agreement in the name and on behalf of the District. Amounts in the escrow may be used to purchase Government Securities and to establish a beginning cash deposit, as defined and set forth in the Escrow Agreement, in each case sufficient to provide for the payment of all interest on and principal of the Refunded Bonds when due and upon redemption prior to maturity. Speer, the Escrow Agent and any Purchaser are each hereby authorized to act as agent for the District in the purchase of the Government Securities described above.

At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Bond Registrar, Speer or the Purchaser on behalf of the District from the proceeds of the Bonds.

Section 13. Call of the Refunded Bonds. In accordance with the redemption provisions of the ordinance authorizing the issuance of the Refunded Bonds, the District by the Board does hereby make provisions for the payment of and does hereby call (subject only to the issuance and delivery of the Bonds) the Refunded Bonds on the date set forth in the Bond Notification (not earlier than December 15, 2019).

Section 14. Non-Arbitrage and Tax-Exemption. The District 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 Internal Revenue Code of 1986, as amended (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 District 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 District 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 District 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 Board hereby authorizes the officials of the District responsible for issuing the Bonds, the same being the President, Secretary and Treasurer of the Board, 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 in the Bonds will be exempt from federal income taxation. In connection therewith, the District and the Board further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the 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 District in such compliance.

Section 15. Designation of Issue. In each Bond Notification, the Designated Representatives are hereby authorized to designate each series of the Bonds in an amount or amounts not to exceed \$10,000,000 per calendar year of issuance as a “qualified tax-exempt obligation” for the purposes, within the meaning of and to the extent permitted by Section 265(b)(3) of the Code.

Section 16. 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 17. Duties of Bond Registrar. If requested by the Bond Registrar, the President and Secretary of the Board are authorized to execute the Bond Registrar’s standard form of agreement between the District and the Bond Registrar with respect to each series of the Bonds and 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 District upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Bonds as provided herein;
- (d) to cancel and/or destroy Bonds which have been paid at maturity or upon redemption or submitted for exchange or transfer;
- (e) to furnish the District at least annually a certificate with respect to Bonds cancelled and/or destroyed; and
- (f) to furnish the District at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

Section 18. Continuing Disclosure Undertaking. For each series of Bonds, the President of the Board is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "*Continuing Disclosure Undertaking*"). When the Continuing Disclosure Undertaking is executed and delivered on behalf of the District as herein provided, the Continuing Disclosure Undertaking will be binding on the District and the officers, employees and agents of the District, and the officers, employees and agents of the District 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 remedy 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 District to comply with its obligations under the Continuing Disclosure Undertaking.

Section 19. Municipal Bond Insurance. In the event the payment of principal and interest on any of the Bonds is insured pursuant to a municipal bond insurance policy (the "*Municipal Bond Insurance Policy*") issued by a bond insurer (the "*Bond Insurer*"), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the District and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the insured Bonds, subrogation of the rights of the Bondholders to the Bond Insurer upon payment of the insured Bonds by the Bond Insurer, amendment hereof, or other terms, as approved by the President of the Board on advice of counsel, his or her approval to constitute full and complete acceptance by the District of such terms and provisions under authority of this Section.

Section 20. Record-Keeping Policy and Post-Issuance Compliance Matters. On March 13, 2012, the Board adopted a record-keeping policy (the “*Policy*”) in order to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the debt obligations of the District, the interest on which is excludable from “gross income” for federal income tax purposes or which enable the District or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds. The Board and the District hereby reaffirm the Policy.

Section 21. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 22. Repeal. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed and this Ordinance shall be in full force and effect forthwith upon its adoption.

Adopted July 10, 2019.

President, Board of Commissioners

Attest:

Secretary, Board of Commissioners

EXHIBIT A

FORM OF ESCROW AGREEMENT

_____, 20__

Amalgamated Bank of Chicago
Chicago, Illinois

Re: Lake County Forest Preserve District, Lake County, Illinois
\$ _____ General Obligation Refunding Bonds, Series 20__

Ladies and Gentlemen:

The Lake County Forest Preserve District, Lake County, Illinois (the "*District*"), by an ordinance adopted by the Board of Commissioners (the "*Board*"), on the 10th day of July, 2019, as supplemented by a notification of sale (together, the "*Ordinance*"), has authorized the issue and delivery of \$ _____ General Obligation Refunding Bonds, Series 20__, dated _____, 20__ (the "*Bonds*"). The District has authorized by the Ordinance that proceeds of the Bonds be used to pay and redeem on December 15, 2019, [all] of the District's outstanding and unpaid \$[24,505,000] General Obligation Land Acquisition and Development Bonds, Series 2011, dated November 30, 2011 (the "*Refunded Bonds*").

The District hereby deposits with you \$ _____ from the proceeds of the Bonds and \$ _____ from funds of the District on hand and lawfully available (collectively, the "*Deposit*"), and you are hereby instructed as follows with respect thereto:

1. [Upon deposit, you are directed to hold the Deposit in an irrevocable trust fund account (the "*Trust Account*") for the District to the benefit of the holders of the Refunded Bonds.] [Upon deposit, you are directed to purchase U.S. Treasury Securities [State and Local Government Series Certificates of Indebtedness] in the amount of \$ _____ and maturing as described on *Exhibit A* hereto (the "*Securities*"). You are further instructed to fund a beginning cash escrow deposit on demand in the amount of \$ _____. The beginning deposit and the Securities are to be held in an irrevocable trust fund account (the "*Trust Account*") for the District to the benefit of the holders of the Refunded Bonds.]

2. [You shall hold the Deposit in the Trust Account in cash for the sole and exclusive benefit of the holders of the Refunded Bonds until redemption of the Refunded Bonds on December 15, 2019, is made.] [You shall hold the Securities and any interest income or profit derived therefrom and any uninvested cash in the Trust Account for the

sole and exclusive benefit of the holders of the Refunded Bonds until redemption of the Refunded Bonds on December 15, 2019, is made.]

3. The District has called the Refunded Bonds for redemption and payment prior to maturity on December 15, 2019. You are hereby directed to cause Amalgamated Bank of Chicago, Chicago, Illinois, as paying agent for the Refunded Bonds (the "*Prior Paying Agent*"), to provide for and give timely notice of the call for redemption of 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 District agrees to reimburse the Prior Paying Agent for any actual out-of-pocket expenses incurred in the giving of such notice, but the failure of the District 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.

4. In addition, you are hereby directed to cause the Prior Paying Agent 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>.

5. You shall submit the sum of \$ _____ on December 15, 2019, to the Prior Paying Agent, 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. You shall make no payment of fees, due or to become due, of the bond registrar and paying agent on the Bonds or the Refunded Bonds. The District shall pay the same as they become due.

7. If at any time it shall appear to you that the funds on deposit in the Trust Account will not be sufficient to pay the principal of and interest on the Refunded Bonds, you shall notify the District not less than five (5) days prior to such payment date and the District 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.

8. Upon final disbursement of funds sufficient to pay the Refunded Bonds as hereinabove provided for, you shall transfer any balance remaining in the Trust Account to the District and thereupon this Agreement shall terminate.

Very truly yours,

LAKE COUNTY FOREST PRESERVE DISTRICT,
LAKE COUNTY

By _____
President, Board of Commissioners

By _____
Director of Finance

Accepted this ____ day of _____, 20__.

AMALGAMATED BANK OF CHICAGO,
Chicago, Illinois

By _____
Its _____