

# Request For Board Action

**REFERRED TO BOARD:** November 16, 2015

**AGENDA ITEM NO:** 5,6 & 7

**ORIGINATING DEPARTMENT:** Administration

**SUBJECT:**

- 1. Consideration of a Resolution authorizing Execution of a Renewed and Restated Development Agreement Relating to the Clublands Subdivision**
- 2. Consideration of an Ordinance Providing for Issuance of Not to Exceed \$26,000,000 Village of Antioch, Lake County, Illinois Special Service Area Number One and Two Special Tax Refunding Bonds, Series 2015 (Deercrest/Clublands Project) and Providing for the Levy of a Direct Annual Tax on Taxable Property Therein for the Payment of the Principal of and Interest on Such Bonds.**
- 3. Consideration of a Resolution Authorizing the Acquisition of Certain Tax Certificates by the Village and Transfer thereof to Developer Pertaining to the Clublands and Deercrest Developments**

**SUMMARY AND BACKGROUND OF SUBJECT MATTER:**

The Village currently has established SSA 1 for Deercrest and SSA 2 for Clublands which were established to pay for certain public improvements in those subdivisions pursuant to the Anest Settlement Agreement. The previous developer, Neumann Homes went bankrupt in 2007 leaving behind a legacy of subdivision issues related to the public improvements, and many other issues arising from default on its obligations to perform under various developer agreements. The subdivisions have been dormant since they infrastructure was completed.

Due to the subdivisions being partially built out with NeuHaven (Deercrest) about 80 % built and Clublands about 30% built, the corresponding SSA's are experiencing difficulties because of the lack of tax collections and high delinquencies. Based on more favorable rates in the current market, a restructuring of the SSA debt in both SSAs into a single 2015 bond issue at reduced rates can achieve a savings to the bond issues and to the taxpayers. In conjunction with the SSA refinancing, the reconciliation of the past due taxes can assist the developments to proceed with a subsequent developer, Troy Mertz. Mr. Mertz approached the Village about a year and a half ago to propose new development in the subdivisions.

Mr. Mertz controls the property and has proposed to re-plat a section of Deercrest from townhomes to single family lots. He also has plans to develop Clublands by selling lots to homebuilders. 56 lots are currently ready for building permit in the Clublands subdivision with approximately 120 more that will be permitable once the Miller Road Storm Sewer is completed. The balance of the lots in the Clublands will require some sort of infrastructure improvement.

The actions required of the Board to effect this SSA refinancing, and for development to continue are threefold: 1) A new development agreement 2) A bond ordinance authorizing the restructuring of SSA debt, and 3) An authorization to acquire tax certificates and transfer them to the developer. These actions will set in motion the required sequence of events to allow a bond sale, the development to continue in Clublands, and the reconciliation of the delinquent taxes.

**FINANCIAL IMPACT:**

\$2 million minimum over the term of the issue.

**DOCUMENTS ATTACHED:**

1. Resolution for Development Agreement
2. Development Agreement
3. Bond Ordinance
4. Exhibits to Bond Ordinance
5. Resolution for tax certificates

**RECOMMENDED MOTIONS:**

1. Move to approve a **Resolution authorizing Execution of a Renewed and Restated Development Agreement Relating to the Clublands Subdivision**
2. Move to Approve an Ordinance Providing for Issuance of Not to Exceed \$26,000,000 Village of Antioch, Lake County, Illinois Special Service Area Number One and Two Special Tax Refunding Bonds, Series 2015 (Deercrest/Clublands Project) and Providing for the Levy of a Direct Annual Tax on Taxable Property Therein for the Payment of the Principal of and Interest on Such Bonds
3. Move to Approve a Resolution Authorizing the Acquisition of Certain Tax Certificates by the Village and Transfer thereof to Developer Pertaining to the Clublands and Deercrest Developments

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**VILLAGE OF ANTIOCH**

**LAKE COUNTY**

**STATE OF ILLINOIS**

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**ORDINANCE NUMBER \_\_\_\_\_**

**AN ORDINANCE PROVIDING FOR ISSUANCE OF NOT TO EXCEED  
\$26,000,000 VILLAGE OF ANTIOCH, LAKE COUNTY, ILLINOIS  
SPECIAL SERVICE AREAS NUMBER ONE AND TWO SPECIAL TAX REFUNDING  
BONDS, SERIES 2015 (DEERCREST/CLUBLANDS PROJECT)  
AND PROVIDING FOR THE LEVY OF A DIRECT  
ANNUAL TAX ON TAXABLE PROPERTY THEREIN  
FOR THE PAYMENT OF  
PRINCIPAL OF AND INTEREST ON SUCH BONDS**

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**ADOPTED BY THE**

**PRESIDENT AND BOARD OF TRUSTEES**

**OF THE**

**VILLAGE OF ANTIOCH**

**LAKE COUNTY**

**STATE OF ILLINOIS**

**November 16, 2015**

**Published in pamphlet form by authority of the President and Board of Trustees of the Village of  
Antioch, Lake County, Illinois this 17th day of November, 2015.**

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ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED  
\$26,000,000 VILLAGE OF ANTIOCH,  
LAKE COUNTY, ILLINOIS  
SPECIAL SERVICE AREAS NUMBER ONE AND TWO SPECIAL TAX REFUNDING  
BONDS, SERIES 2015 (DEERCREST/CLUBLANDS PROJECT)  
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ANNUAL TAX ON TAXABLE PROPERTY THEREIN  
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BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE  
VILLAGE OF ANTIOCH, LAKE COUNTY, ILLINOIS, AS FOLLOWS:

**Section 1. Findings and Declarations.** It is found and declared by the President and Board of Trustees of the Village of Antioch, Lake County, Illinois (the “**Village**”) as follows:

(a) The Village has previously established Special Service Area Number One described more fully in Exhibit A-1, attached to this Ordinance and incorporated herein (“**Special Service Area-SSA Number One**”) pursuant to Ordinance No. 02-09-38 and Ordinance No. 03-05-17 adopted, respectively, on September 27, 2002 and May 5, 2003 (collectively, “**Establishing Ordinance-SSA Number One**”), the provisions of the Special Service Area Tax Law, 35 ILCS 200/27-5 et seq., as amended (the “**Special Service Area Act**”) and the provisions of Section 7 of Article VII of the 1970 Constitution of the State of Illinois, and has otherwise complied with all other conditions precedent required by the Special Service Area Act.

(b) The Village has previously established Special Service Area Number Two described more fully in Exhibit A-2, attached to this Ordinance and incorporated herein (“**Special Service Area-SSA Number Two**” and together with Special Service Area-SSA Number One, the “**Special Service Areas**”) pursuant to Ordinance No. 02-09-39 and Ordinance No. 03-05-18 adopted, respectively, on September 27, 2002 and May 5, 2003 (“**Establishing Ordinance-SSA Number Two**” and together with Establishing Ordinance-SSA Number One, the “**Establishing Ordinances**”), the provisions of the Special Service Area Act and the provisions of Section 7 of Article VII of the 1970 Constitution of the State of Illinois, and has otherwise complied with all other conditions precedent required by the Special Service Area Act.

(c) It was deemed necessary and in the best interests of the Village to provide special services benefiting the Special Service Areas consisting of the acquisition, construction and installation of public improvements including, but not limited to, engineering, surveying, soil testing and appurtenant work, mass grading and demolition, stormwater management facilities, storm drainage systems and storm sewers, site clearing and tree removal, public water facilities, sanitary sewer facilities, erosion control measures, roads, streets, curbs, gutters, street lighting, traffic controls, sidewalks, and related street improvements, and equipment and materials necessary for the maintenance thereof,

landscaping, wetland mitigation, public park improvements and tree installation, costs for land and easement acquisitions relating to any of the foregoing improvements, required tap on and related fees for water or sanitary sewer services, and other eligible costs to serve each of the Special Service Areas (the “**Special Services**”).

(d) The Village has previously issued \$10,685,000 in aggregate principal amount of its Special Service Area Number One Special Tax Bonds, Series 2003 (Deercrest Project) (the “**Series 2003 Deercrest Project Bonds**”), of which \$9,712,000 in principal amount remains outstanding, to pay and provide funds for a portion of the costs of the Special Services.

(e) The Village has previously issued \$13,850,000 in aggregate principal amount of its Special Service Area Number Two Special Tax Bonds, Series 2003 (Clublands Project) (the “**Series 2003 Clublands Project Bonds**” and together with the Series 2003 Deercrest Project Bonds, the “**Prior Bonds**”), of which \$12,443,000 in principal amount remains outstanding, to pay and provide funds for a portion of the costs of the Special Services.

(f) In order to achieve debt service savings, it is in the best interests of the Village to currently refund all or a portion of the Prior Bonds.

(g) The Village does not have sufficient funds on hand or available from other sources with which to pay the costs associated with currently refunding the Prior Bonds.

(h) It is necessary and in the best interests of the Village to issue an aggregate principal amount not to exceed \$26,000,000 of its Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015 (Deercrest/Clublands Project) in up to two series (the “**Bonds**”), which series may be further designated as “Senior Lien” bonds or as “Junior Lien” bonds, as provided in this Ordinance, and the Bond Order as defined in Section 2 hereof, being of varying rank or priority, to (i) pay or provide funds to currently refund all or a portion of the Prior Bonds, (ii) fund debt service reserve funds for any series of the Bonds, (iii) pay the insurance premium for any series of the Bonds, and (iv) pay the costs of the issuance of the Bonds and the refunding of the Prior Bonds.

(i) The notice and hearing requirements set forth in Section 27-45 of the Special Service Area Act do not apply to the Bonds because the interest rate on the Bonds and the maximum period of time over which the Bonds will be retired will not be greater than that set forth in the notices for the Prior Bonds. In addition, the debt service of the Bonds will not exceed the debt service to be paid over the remaining duration of the Prior Bonds.

(j) Due publication of notice as required by the Special Service Area Act including, without limitation, notice of the issuance of the Prior Bonds, public hearings to consider the establishment of the Special Service Areas, the issuance of the Prior Bonds for the purpose of paying the costs of the Special Services and the manner in which the Prior Bonds were proposed to be retired and the proposed tax levy was held, no objection petitions were filed with respect to the establishment of the Special Service Areas or the

issuance of the Prior Bonds within the period of time allowed pursuant to the Special Service Area Act, and waivers of the right to file any such objection petitions were executed by all electors and all owners of property within the Special Service Areas at the times of the issuance of the Prior Bonds.

(k) It is necessary and in the best interests of the Village (i) to permanently abate the Maximum Parcel Special Tax of certain property that has been designated as Phase 4 of the Clublands Subdivision (the “**Clublands Phase 4 Property**”), and (ii) to provide for amendments to the Rate and Method of Levying Special Taxes (the “**SSA Number Two Rate and Method**”), the Exhibit A to the Special Service Area Number Two Special Tax Roll and Report dated April 29, 2003 (the “**SSA Number Two Special Tax Report**”).

**Section 2. Abatement of Maximum Parcel Special Tax of Clublands Phase 4 Property.**

(a) Pursuant to the SSA Number Two Special Tax Report, the Maximum Parcel Special Tax of the Clublands Phase 4 Property was calculated in proportion to its aggregate funded Special Services costs of \$8,287,294 (the “**Allocated Costs**”), \$1,623,653 of which was funded by the issuance of Series 2003 Clublands Project Bonds.

(b) Pursuant to provisions within the Clublands Development Agreement dated October 20, 2002 and within the Anest Settlement Agreement related thereto, the Special Service Area Number Two was anticipated to issue a second series of bonds to pay and provide funds for the remaining \$6,663,641 of the Allocated Costs.

(c) Pursuant to the Renewed and Restated Clublands Development Agreement entered into and between the Village and BMB Associates I LLC on November 16, 2015, all clauses, terms, conditions and covenants contained in the Clublands Development Agreement and the Anest Settlement Agreement relating to the issuance of a second series of bonds for the Clublands Phase 4 Property are nullified, abrogated, set aside and will not be acted upon by either party.

(d) The Village hereby abates the Maximum Annual Special Tax of the Clublands Phase 4 Property by the percentage of the Allocated Costs that will not be funded, or 80.41%, including specifically the following amounts for the following years:

Year of Levy	Maximum Annual Special Tax for Single-family Property		
	Per SSA Number Two Special Tax Report	Abatement for Unfunded Allocated Costs	Adjusted for Abatement
2015	\$2,098.22	\$1,687.14	\$411.08
2016	\$2,129.69	\$1,712.44	\$417.25
2017	\$2,161.64	\$1,738.13	\$423.51
2018	\$2,194.06	\$1,764.20	\$429.86
2019	\$2,226.98	\$1,790.67	\$436.31

2020	\$2,260.38	\$1,817.52	\$442.86
2021	\$2,294.29	\$1,844.79	\$449.50
2022	\$2,328.70	\$1,872.46	\$456.24
2023	\$2,363.63	\$1,900.55	\$463.08
2024	\$2,399.09	\$1,929.06	\$470.03
2025	\$2,435.07	\$1,957.99	\$477.08
2026	\$2,471.60	\$1,987.36	\$484.24
2027	\$2,508.67	\$2,017.17	\$491.50
2028	\$2,546.30	\$2,047.43	\$498.87
2029	\$2,584.50	\$2,078.14	\$506.36
2030	\$2,623.26	\$2,109.31	\$513.95
2031	\$2,662.61	\$2,140.95	\$521.66

**Section 3. Issuance of Bonds.**

(a) The Village shall borrow the sum of not to exceed \$26,000,000 by issuing the Bonds as provided in this Ordinance. The Bonds which shall be designated “Village of Antioch, Lake County, Illinois Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015 (Deercrest/Clublands Project),” and may be further designated as “Senior Lien” bonds or “Junior Lien” bonds and may have such further letter designations as set forth in the executed Bonds, shall be issued for the purpose of currently refunding all or a portion of the Prior Bonds, which Prior Bonds were issued to provide funds needed for the costs of the Special Services. Any Senior Lien Bonds shall have priority in payment from Special Taxes over any Junior Lien Bonds as further provided in the Indenture (as defined below). The Bonds shall be issued pursuant to the powers of the Village pursuant to Section 7 of Article VII of the 1970 Constitution of the State of Illinois; the Special Service Area Act and the Local Government Debt Reform Act, 30 ILCS 350/1 et seq. (the “**Local Government Debt Act**”).

(b) The Village President is hereby authorized and directed to establish the final terms of the Bonds as set forth in the Village’s Bond Order to be executed by the Village President (the “**Bond Order**”), but only within the parameters or on such terms as set forth in Section 4 of this Ordinance and in furtherance of such duty is hereby authorized and directed to execute the Bond Order on behalf of the Village. The Bonds shall be issued in such principal amounts, shall mature on such dates and bear interest at such rates and be subject to redemption as set forth in the Bond Order.

**Section 4. Approval of Documents.** There have been submitted to the President and Board of Trustees forms of the following documents relating to the issuance of the Bonds:

(a) a form of Trust Indenture (the “**Indenture**”) between the Village and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”), dated as of December 1, 2015, which form of Indenture is attached as Exhibit B to this Ordinance; and

(b) a form of Bond Purchase Agreement (the “**Bond Purchase Agreement**”) with respect to the Bonds between the Village and William Blair & Company, L.L.C., as underwriter (the “**Underwriter**”), to be dated as of the date the offer of the Underwriter to

purchase the Bonds described therein is accepted by the Village, which form of Bond Purchase Agreement is attached as Exhibit C to this Ordinance and is incorporated herein; and

(c) a form of Preliminary Official Statement (the “**Preliminary Official Statement**”) to be used by the Underwriter in its initial offering of the Bonds, which form of Preliminary Official Statement is attached as Exhibit D to this Ordinance; and

(d) a form of an Agreement for Administrative Services (the “**Consulting Agreement**”) to be entered into by and between the Village and David Taussig & Associates, Inc. (the “**Consultant**”) providing for the administrative services to the Special Service Areas which agreement is attached as Exhibit E to this Ordinance; and

(e) a form of continuing disclosure agreement to be entered into by the Village (the “**Continuing Disclosure Undertaking**”) to effect compliance with Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, which agreement is attached as Exhibit F to this Ordinance; and

(f) a form of amended rate and method of levying taxes contained in the special tax report for Special Service Area – SSA Number Two prepared by the Consultant providing for amendments to the Rate and Method, which is attached as Exhibit G to this Ordinance.

Such documents are approved as to form and substance and the Village President and the Village Clerk of the Village are authorized and directed to execute and deliver and/or authorize the use of such documents on behalf of the Village in substantially the forms submitted with such additions, deletions and completions of the same as the Village President and the Village Clerk deem appropriate; and when each such document is executed, attested, sealed and delivered on behalf of the Village, as provided herein, each such document will be binding on the Village; from and after the execution and delivery of each such document, 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 additional documents as may be necessary to carry out, comply with and perform the provisions of each such document as executed; and each such document shall constitute, and hereby is made, a part of this Ordinance, and a copy of each such document shall be placed in the official records of the Village, and shall be available for public inspection at the office of the Village Clerk. Either the Village President or Village Clerk is authorized and directed, subject to the terms of the Bond Purchase Agreement as executed, to execute a final Official Statement in substantially the form of the Preliminary Official Statement with such changes, additions or deletions as they deem appropriate to reflect the final terms of the Bonds, the Indenture and other matters. The Village hereby ratifies, confirms and approves the use and distribution by the Underwriter of the Preliminary Official Statement prior to the availability of the final Official Statement. The Village President and the Village Clerk are authorized to obtain a Bond Insurance Policy insuring the payment of principal of and interest on the Bonds when due (the “**Policy**”) from a bond insurer (the “**Bond Insurer**”) if the Village President determines such Policy to be desirable in connection with the sale of the Bonds. The Village President and Village Clerk are hereby authorized on behalf of the Village, to make such customary covenants and

agreements with the Bond Insurer as are not inconsistent with the terms of this Ordinance and as may be required by the Bond Insurer to issue its Policy.

**Section 5. Bond Terms; Bond Order.** The Bonds shall be issued as provided in the Indenture and shall be issued in the aggregate principal amount not to exceed \$26,000,000, shall be dated, shall mature, shall bear interest at the rates (not to exceed seven percent (7.00%) per annum), shall have a \$2,000,000 debt savings threshold, and shall be subject to redemption at the times and prices, all as set forth in the Bond Order and the Indenture, and shall be sold to the Underwriter at an aggregate purchase price of not less than 98% of the principal amount of the Bonds with an original issue discount or original issue premium of not greater than 105% of the principal amount of the Bonds, all as set forth in the Bond Order and the Bond Purchase Agreement. The Bond Order shall specify the number of series of Bonds and whether such Bonds are to be issued as Senior Lien Bonds or Junior Lien Bonds, the principal amount of each such series of the Bonds, the date of the Bonds, the interest rate on the Bonds, the redemption provisions of the Bonds, the purchase price of the Bonds, the Prior Bonds to be redeemed or paid at maturity, the identity of any Bond Insurer, if any, and the final form of any commitment to provide the Bond Insurance Policy and may include such other terms as are deemed necessary to provide for the sale of the Bonds which are not inconsistent with this Ordinance. The execution and delivery of the Indenture and the Bond Order by the Village President and the Village Clerk shall evidence their approval of the terms of the Bonds set forth above.

**Section 6. Execution and Delivery of Bonds.** The Village President and the Village Clerk are authorized and directed to execute and deliver the Bonds and, together with other Authorized Officers (as defined in the Indenture), to take all necessary action with respect to the issuance, sale and delivery of the Bonds, all in accordance with the terms and procedures specified in this Ordinance and the Indenture. The Bonds shall be delivered to the Trustee who is directed to authenticate the Bonds and deliver the Bonds to the Underwriter upon receipt of the purchase price for the Bonds.

The Bonds shall be in substantially the form set forth in the Indenture. Each Bond shall be executed by the manual or facsimile signature of the Village President and the manual or facsimile signature of the Village Clerk and shall have the corporate seal of the Village affixed to it (or a facsimile of that seal printed on it). The Village President and the Village Clerk (if they have not already done so) are authorized and directed to file with the Illinois Secretary of State their manual signatures certified by them pursuant to the Uniform Facsimile Signatures of Public Officials Act which shall authorize the use of their facsimile signatures to execute the Bonds. Each Bond so executed shall be as effective as if manually executed. In case any officer of the Village whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before authentication and delivery of any of the Bonds, that signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

No Bond shall be valid for any purpose unless and until a certificate of authentication on that Bond substantially in the form set forth in the bond form in the Indenture shall have been duly executed by the Trustee. Execution of that certificate upon any Bond shall be conclusive evidence that the Bond has been authenticated and delivered under this Ordinance.

**Section 7. Bonds are Limited Obligations; Levy of Special Taxes; Pledge.** The Bonds shall constitute limited obligations of the Village, payable from the Special Taxes (as defined below) to be levied on all taxable real property within the Special Service Areas as provided below. The Bonds shall not constitute the general obligations of the Village and neither the full faith and credit nor the unlimited taxing power of the Village shall be pledged as security for payment of the Bonds.

There are hereby levied Special Taxes upon all taxable real property within the Special Service Areas in accordance with the Special Tax Reports (as defined below) sufficient to pay and discharge the principal of and interest on the Bonds at maturity or mandatory sinking fund redemption dates and to pay interest on the Bonds for each year at the interest rates set forth in the Indenture and to pay for the Administrative Expenses (as defined in the Indenture) of the Village and Lake County, if any, for each year and to fund and replenish each Reserve Fund created and established pursuant to the Indenture to an amount equal to the Senior Lien Reserve Requirement and the Junior Lien Reserve Requirement (each as defined in the Indenture) including specifically the following amounts for the following years (collectively, the “**Special Taxes**”):

<u>Year of Levy</u>	<u>(Special Service Area Number One) An Amount Sufficient to Produce the Sum of:</u>	<u>(Special Service Area Number Two) An Amount Sufficient to Produce the Sum of:</u>
2015	\$962,891.32	\$1,220,187.80
2016	\$977,334.68	\$1,238,490.73
2017	\$991,994.70	\$1,257,070.95
2018	\$1,006,874.61	\$1,275,923.54
2019	\$1,021,977.75	\$1,295,067.83
2020	\$1,037,307.41	\$1,314,493.98
2021	\$1,052,867.01	\$1,334,212.18
2022	\$1,068,660.02	\$1,354,222.08
2023	\$1,084,689.92	\$1,374,533.52
2024	\$1,100,960.28	\$1,395,155.99
2025	\$1,117,474.68	\$1,416,080.00
2026	\$1,134,236.80	\$1,437,324.88
2027	\$1,151,250.34	\$1,458,881.14
2028	\$1,168,519.11	\$1,480,763.19
2029	\$1,186,046.90	\$1,502,980.52
2030	\$1,203,837.59	\$1,525,519.07
2031	\$1,221,895.17	\$1,548,402.74

Pursuant to the Special Tax Rolls established by the Special Tax Rolls and Reports dated April 29, 2003 and April 29, 2003, respectively, prepared for the Special Service Areas, as amended herein (the “**Special Tax Reports**”), the Special Taxes shall be divided among all taxable real property within the Special Service Areas in accordance with the terms of the Establishing Ordinances and the Special Tax Reports. It shall be the duty of the Village and the Village hereby covenants, annually on or before the last Tuesday of December for each of the years 2015 through 2031 to calculate or cause the Consultant appointed pursuant to the Indenture to calculate the projected Special Tax Requirement (as defined in the Indenture); to adopt an ordinance approving

the amount of the Special Tax Requirement; and shall by ordinance direct the County Clerk of Lake County to extend the Special Taxes for collection on the tax books against all of the taxable real property within the Special Service Areas in accordance with the Special Tax Reports and in connection with other taxes levied in each of such years for general Village purposes. The Special Taxes shall be computed, extended and collected in accordance with the Special Tax Reports and the Special Tax Rolls, and divided among the taxable real property within the Special Service Areas in accordance with the terms of the Establishing Ordinances and the Special Tax Reports. The Special Taxes levied by this Ordinance shall be abated each year to the extent the taxes levied pursuant to this Ordinance exceed the Special Tax Requirement as calculated by the Village pursuant to the Establishing Ordinances and the Special Tax Reports. On or before the last Tuesday of January for each of the years 2016 through 2032 the Village shall notify the Trustee and the Bond Insurer, if any, of the amount of the Special Tax Requirement and the amount of the Special Taxes to be abated. The Village shall take all actions which shall be necessary to provide for the levy, extension, collection and application of the taxes levied by this Ordinance, including enforcement, of such taxes by institution of foreclosure procedures as provided by law.

The Special Taxes levied as provided above shall be deposited in the Bond and Interest Fund created pursuant to the Indenture and are appropriated to and are irrevocably pledged to and shall be used only for the purposes set forth in the Indenture.

The Bond Order may provide for the abatement of a portion of the taxes levied pursuant to this Section 6 to the extent the Bond Order provides for a portion of the Prior Bonds to remain outstanding in an amount necessary to pay the debt service due on the Prior Bonds to remain outstanding.

**Section 8. Special Covenants.** The Village covenants with the holders of the Bonds from time to time outstanding and the Bond Insurer, if any, that it (i) will take all actions which are necessary to be taken (and avoid any actions which it is necessary to avoid being taken) so that interest on the Bonds and the Prior Bonds will not be or become included in gross income for federal income tax purposes under existing law, including without limitation the Internal Revenue Code of 1986, as amended (the “**Code**”); (ii) will take all actions reasonably within its power to take which are necessary to be taken (and avoid taking any actions which are reasonably within its power to avoid taking and which are necessary to avoid) so that the interest on the Bonds and the Prior Bonds will not be or become included in gross income for federal income tax purposes under the federal income tax laws as in effect from time to time; and (iii) will take no action or permit any action in the investment of the proceeds of the Bonds or the Prior Bonds, amounts held under the Indenture or any other funds of the Village which would result in making interest on the Bonds or the Prior Bonds subject to federal income taxes by reason of causing the Bonds or the Prior Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, or direct or permit any action inconsistent with the regulations under the Code as promulgated and as amended from time to time and as applicable to the Bonds or the Prior Bonds. The Village President, Village Clerk, Village Treasurer and other Authorized Officers of the Village are authorized and directed to take all such actions as are necessary in order to carry out the issuance and delivery of the Bonds including, without limitation, to make any representations and certifications they deem proper pertaining to the use of the proceeds of the Bonds and other moneys held under the Indenture in order to establish that the Bonds and the Prior Bonds shall not constitute arbitrage bonds as so defined.

The Village further covenants with the holders of the Bonds from time to time outstanding and the Bond Insurer, if any, that:

(a) it will take all actions, if any, which shall be necessary in order further to provide for the levy, extension, collection and application of the Special Taxes imposed by or pursuant to this Ordinance or the Establishing Ordinances, including enforcement of the Special Taxes by institution of foreclosure procedures as provided by law by providing the County of Lake with such information as is deemed necessary to enable it to include the property subject to the delinquent tax in the County Collector's annual tax sale and in the event the tax lien is forfeited at such tax sale by instituting foreclosure proceedings all in the manner provided by law; provided, however, that the obligation to institute any foreclosure action against any taxpayer other than a taxpayer owning at least five percent (5%) of the property in the Special Service Area shall only arise in the event the Village makes the determination that the proceeds from each foreclosure action have a commercially reasonable expectation of exceeding the costs thereof;

(b) it will not take any action which would reduce the size of the Special Service Areas or adversely affect the levy, extension, collection and application of the Special Taxes, except to abate the Special Taxes to the extent permitted by the Special Tax Reports and as provided in this Ordinance and to release parcels subject to the Special Taxes to the extent a prepayment of the Special Taxes for such parcel has been prepaid; and

(c) it will comply with all present and future laws concerning the levy, extension and collection of the Special Taxes; in each case so that the Village shall be able to pay the principal of and interest on the Bonds as they come due and replenish the Reserve Fund to the Reserve Requirement and it will take all actions necessary to assure the timely collection of the Special Taxes, including without limitation, the enforcement of any delinquent Special Taxes by the commencement and maintenance of an action to foreclose the lien of any delinquent Special Taxes within twelve months of the date of failure to pay the Special Taxes from the date they are due, and in the manner provided by law.

Promptly following the date of issuance of the Bonds, the Village shall file an abatement ordinance abating the Special Taxes levied pursuant to the bond ordinances for the Prior Bonds (the "**Prior Bond Ordinances**") for levy years 2015 through 2031 or such other dates as are specified in the Bond Order.

**Section 9. Additional Authority.** The Village President, the Village Clerk, the Village Treasurer and the other officers of the Village are authorized to execute and deliver on behalf of the Village such other documents, agreements and certificates and to do such other things consistent with the terms of this Ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this Ordinance, including without limitation to make any representations and certifications they deem proper pertaining to the use of the proceeds of the Bonds in order to establish that the Bonds and the Prior Bonds shall not constitute arbitrage bonds as defined in Section 7 above.

**Section 10. Transfer of Funds; Defeasance of Prior Bonds.** Amounts on deposit in the funds and accounts created for the Prior Bonds may be transferred and applied to refund the Prior Bonds or with respect to the Bond and Interest Fund or Reserve Fund, may be transferred to the Bond and Interest Fund or the Reserve Fund created for the Bonds to the extent not needed to pay the Prior Bonds which remain outstanding all as provided in the Bond Order.

The Prior Bonds shall be called for redemption in whole within 90 days of the issue date of the Bonds herein authorized at a price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date. Proceeds of the Bonds may be deposited and such redemption shall be conducted in accordance with the provisions of the Trust Indentures of the Village pursuant to which the Prior Bonds were authorized (the “**Prior Indentures**”). The Village President, the Village Clerk and the Village Treasurer are hereby authorized to execute such instruments necessary to provide for the defeasance and redemption of all or a portion of the Prior Bonds.

**Section 11. Approval of Amendments to SSA Number Two Rate and Method.** A form of providing for amendments to SSA Number Two Rate and Method prepared by the Consultant attached hereto as Exhibit G, incorporated herein and made a part of this Ordinance, are hereby approved. The manner of imposition of the special tax within the Special Service Area Number Two shall be as set forth in the SSA Number Two Rate and Method as amended, and may be further amended by Ordinance of the Village and, to the extent permitted by the Special Service Area Act and subject to the limitations of the Special Service Area Act, may be amended without further notice to owners of property within the Special Service Area Number Two.

**Section 12. Filing of Ordinance.** The Village Clerk is directed to file a certified copy of this Ordinance with the County Clerk of The County of Lake, Illinois.

**Section 13. Severability.** If any section, paragraph, clause or provision of this Ordinance (including any section, paragraph, clause or provision of any exhibit to this Ordinance) shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other sections, paragraphs, clauses or provisions of this Ordinance (or of any of the exhibits to this Ordinance).

**Section 14. Repealer; Effect of Ordinance.** All ordinances, resolutions and orders or parts of ordinances, resolutions and orders in conflict with this Ordinance are repealed to the extent of such conflict. The Village Clerk shall cause this Ordinance to be published in pamphlet form. This Ordinance shall be effective upon its passage and publication as provided by law.

PASSED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF ANTIOCH, LAKE COUNTY, ILLINOIS this 16th day of November, 2015.

VOTING AYE: \_\_\_\_\_

VOTING NAY: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ABSTAINED: \_\_\_\_\_

NOT VOTING: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
Village President

ATTEST:

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

**EXHIBIT A-1**

**Special Service Area Number One**

**Legal Description and Map**

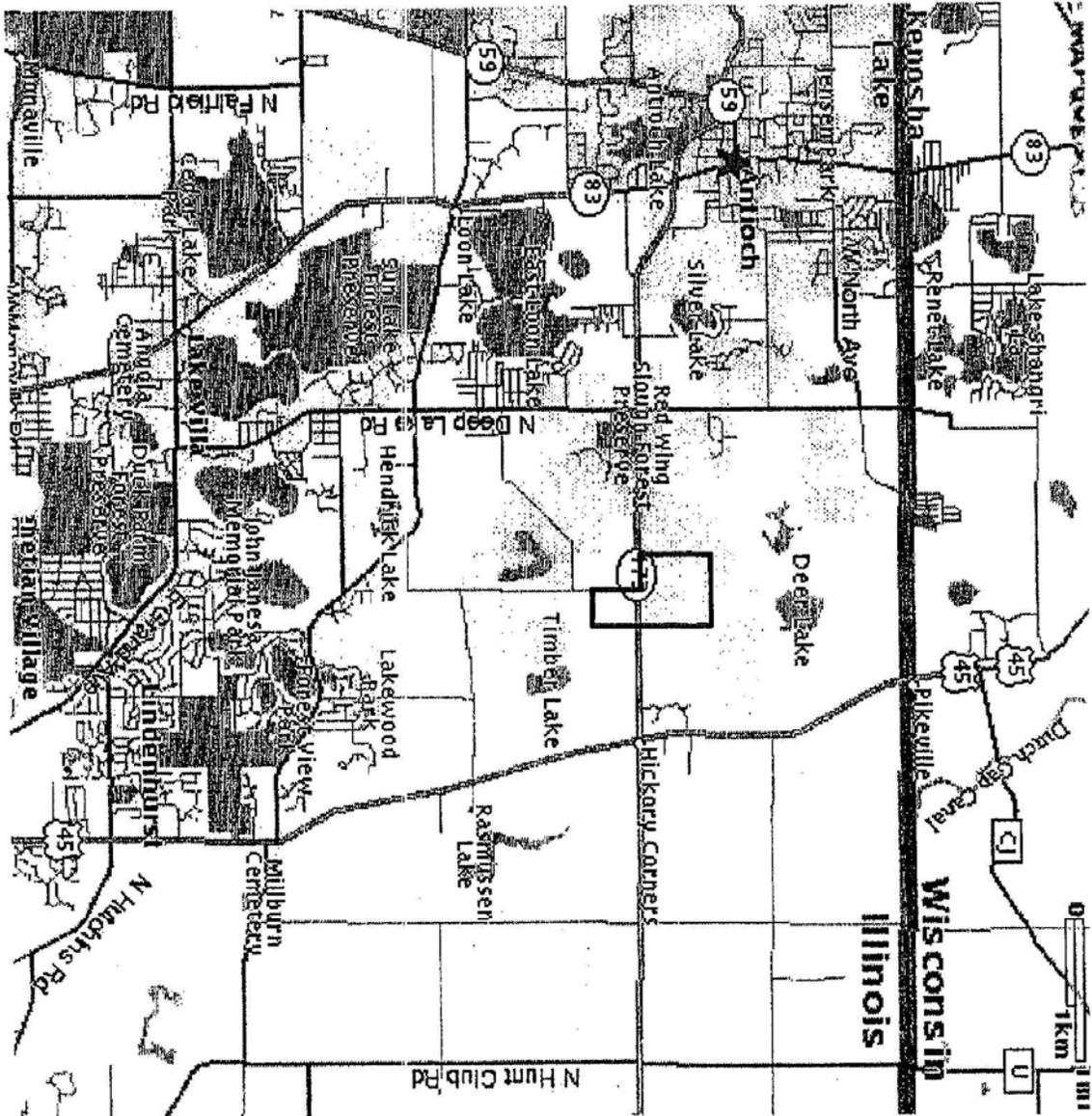
EXHIBIT A

Legal Description

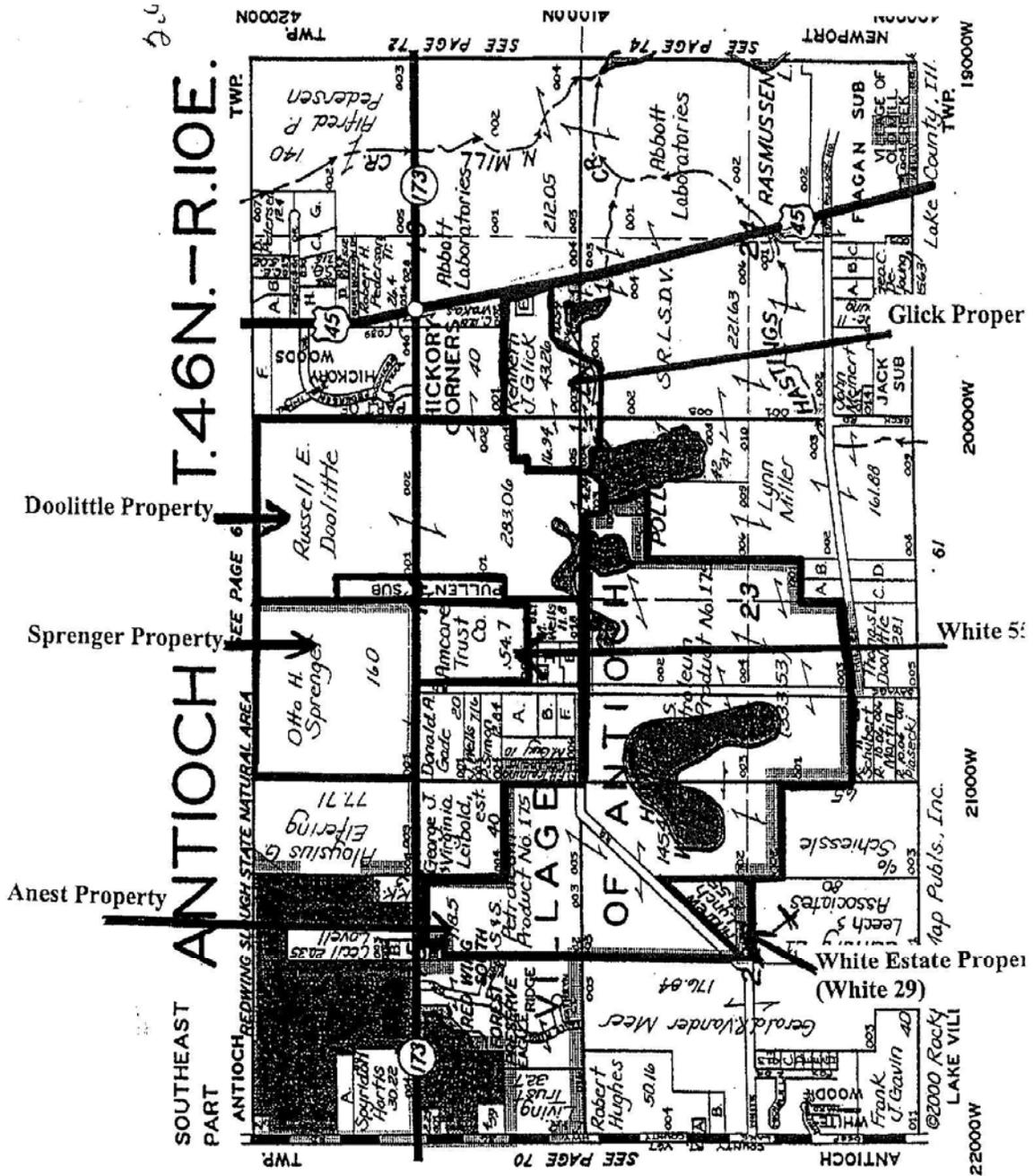
THE EAST HALF OF THE SOUTHWEST  $\frac{1}{4}$  OF SECTION 14, TOWNSHIP 46 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THE SOUTH 829.62 FEET THEREOF), IN LAKE COUNTY, ILLINOIS.

THE NORTHWEST  $\frac{1}{4}$  OF SECTION 14 AND THE SOUTH  $\frac{1}{2}$  OF THE SOUTHWEST  $\frac{1}{4}$  OF SECTION 11 (EXCEPT THAT PART OF THE SOUTH  $\frac{1}{2}$  OF THE SOUTHWEST  $\frac{1}{4}$  OF SECTION 11, TOWNSHIP 46 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF THE SOUTH  $\frac{1}{2}$  OF THE SOUTHWEST  $\frac{1}{4}$  OF SAID SECTION 11; THENCE NORTH 89 DEGREES 35 MINUTES 35 SECONDS EAST, ALONG THE NORTH LINE OF THE SOUTH  $\frac{1}{2}$  OF THE SOUTHWEST  $\frac{1}{4}$  OF SAID SECTION 11, A DISTANCE OF 1324.38 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST  $\frac{1}{4}$  OF THE SOUTHWEST  $\frac{1}{4}$  OF SAID SECTION 11; THENCE SOUTH 68 DEGREES 58 MINUTES 36 SECONDS WEST, A DISTANCE OF 1419.72 FEET TO A POINT ON THE WEST LINE OF THE SOUTH  $\frac{1}{2}$  OF THE SOUTHWEST  $\frac{1}{4}$  OF SAID SECTION 11, A DISTANCE OF 500.00 FEET SOUTH OF THE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 05 MINUTES 44 SECONDS EAST, ALONG THE WEST LINE OF THE SOUTH  $\frac{1}{2}$  OF THE SOUTHWEST  $\frac{1}{4}$  OF SAID SECTION 11, A DISTANCE OF 500.00 FEET TO THE POINT OF BEGINNING), ALL IN TOWNSHIP 46 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

011.522855.1



# Attachment 1 to Memorandum of Understanding



**EXHIBIT A-2**

**Special Service Area Number Two**

**Legal Description and Map**

EXHIBIT A  
LEGAL DESCRIPTION

CLUBLANDS PROPERTY: THAT PART OF THE SOUTHEAST QUARTER OF SECTION 15, THAT PART OF THE EAST HALF OF SECTION 22, AND THAT PART OF SECTION 23, ALL IN TOWNSHIP 46 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, LAKE COUNTY, ILLINOIS DESCRIBED AS FOLLOWS:

THENCE NORTH 00°23'12" EAST ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 254.47 FEET; THENCE SOUTH 89°36'48" EAST, A DISTANCE OF 371.60 FEET; THENCE SOUTH 42°36'03" EAST, A DISTANCE OF 1127.66 FEET; THENCE NORTH 45°05'04" EAST, A DISTANCE OF 308.93 FEET; THENCE NORTH 00°00'00" EAST, A DISTANCE OF 879.86 FEET; THENCE NORTH BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 15; 30°13'50" WEST, A DISTANCE OF 377.71 FEET; THENCE NORTH 52°58'28" EAST, A DISTANCE OF 193.15 FEET; THENCE NORTH 82°38'14" EAST, A DISTANCE OF 86.71 FEET; THENCE SOUTH 70°04'16" EAST, A DISTANCE OF 89.11 FEET; THENCE SOUTH 39°20'04" EAST, A DISTANCE OF 246.79 FEET; THENCE SOUTH 89°57'30" EAST, A DISTANCE OF 587.64 FEET; THENCE SOUTH 00°02'30" WEST, A DISTANCE OF 351.22 FEET; THENCE SOUTH 29°41'28" EAST, A DISTANCE OF 259.03 FEET; THENCE SOUTH 07°40'35" WEST, A DISTANCE OF 383.08 FEET; THENCE SOUTH 44°54'56" EAST, A DISTANCE OF 304.00 FEET; THENCE SOUTH 87°36'37" EAST, A DISTANCE OF 106.58 FEET; THENCE NORTH 16°57'33" EAST, A DISTANCE OF 81.24 FEET; THENCE NORTH 41°31'24" EAST, A DISTANCE OF 37.21 FEET; THENCE NORTH 22°37'09" EAST, A DISTANCE OF 47.36 FEET; THENCE NORTH 88°36'47" EAST, A DISTANCE OF 198.44 FEET; THENCE NORTH 89°52'16" EAST, A DISTANCE OF 1065.72 FEET; THENCE NORTH 00°12'14" EAST, A DISTANCE OF 100.00 FEET TO A POINT ON THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 23; THENCE NORTH 89°52'16" EAST ALONG SAID NORTH LINE, A DISTANCE OF 100.00 FEET; THENCE SOUTH 00°12'14" WEST, A DISTANCE OF 100.00 FEET; THENCE SOUTH 89°52'16" EAST, A DISTANCE OF 176.31 FEET; THENCE SOUTH 00°12'14" WEST, A DISTANCE OF 538.39 FEET; THENCE SOUTH 41°44'19" EAST, A DISTANCE OF 127.16 FEET; THENCE SOUTH 89°48'57" EAST, A DISTANCE OF 156.44 FEET; THENCE SOUTH 00°11'03" WEST, A DISTANCE OF 619.23 FEET; THENCE NORTH 89°48'57" WEST, A DISTANCE OF 162.80 FEET; THENCE SOUTH 00°16'52" EAST, A DISTANCE OF 778.82 FEET; THENCE NORTH 85°29'22" EAST, A DISTANCE OF 122.98 FEET; THENCE NORTH 56°16'18" EAST, A DISTANCE OF 126.57 FEET; THENCE SOUTH 77°48'41" EAST, A DISTANCE OF 130.00 FEET TO A POINT ON A

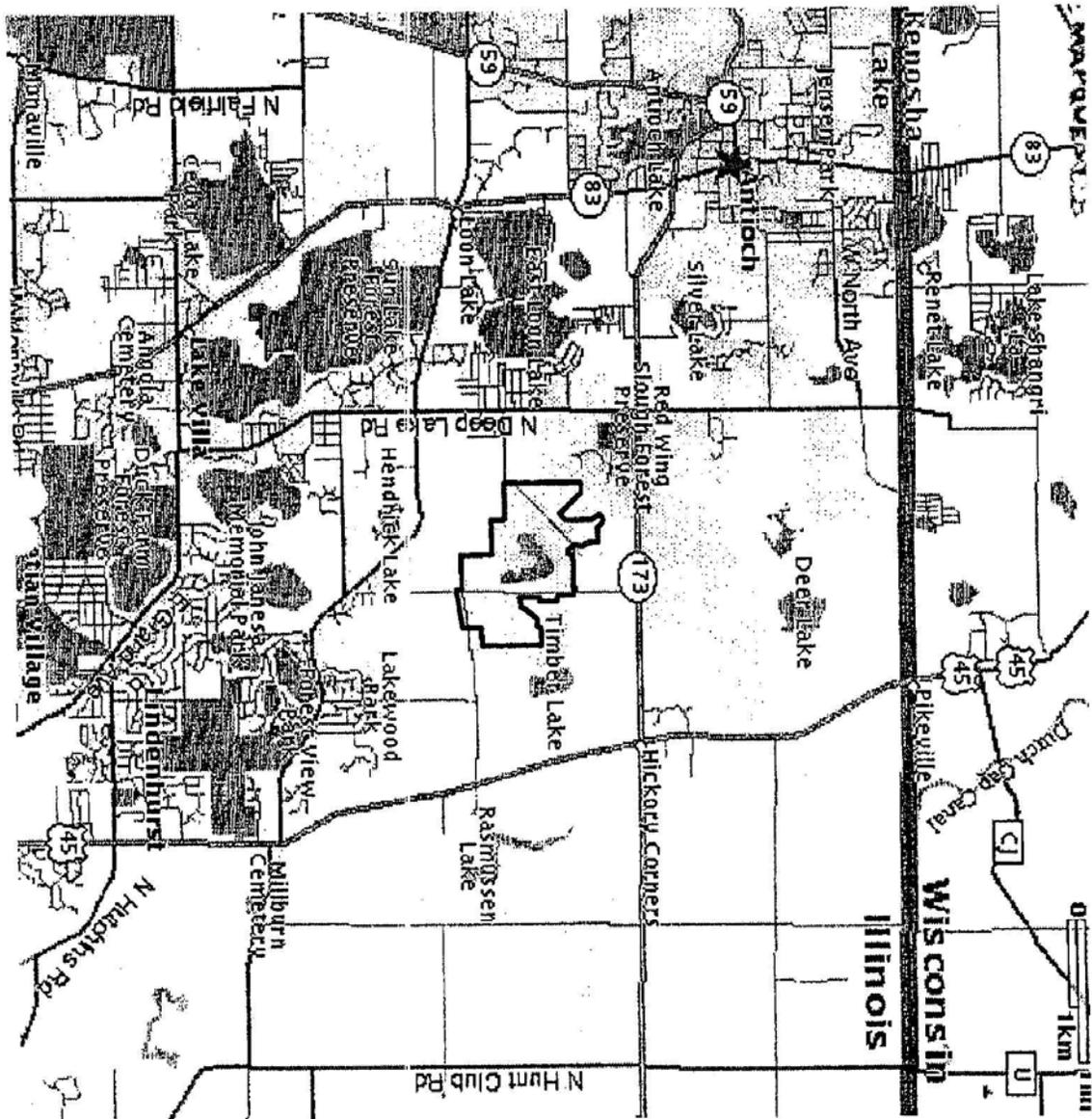
NON-TANGENT CURVE; THENCE NORTHEASTERLY ALONG A CURVE CONCAVE SOUTHEASTERLY HAVING A CHORD BEARING OF NORTH 28°03'13" EAST AND A RADIUS OF 550.00 FEET, AN ARC DISTANCE OF 286.19 FEET TO A POINT OF TANGENCY; THENCE NORTH 39°55'08" EAST, A DISTANCE OF 400.53 FEET TO A POINT OF CURVATURE; THENCE EASTERLY ALONG A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 230.00 FEET, AN ARC DISTANCE OF 340.55 FEET TO A POINT ON A NON-TANGENT LINE; THENCE NORTH 34°45'14" EAST, A DISTANCE OF 192.09 FEET; THENCE NORTH 25°57'15" WEST, A DISTANCE OF 30.39 FEET; THENCE SOUTH 89°47'14" EAST, A DISTANCE OF 635.91 FEET TO A POINT ON THE EAST LINE OF THE WEST 45 RODS, AS OCCUPIED, OF THE EAST HALF OF SAID SECTION 23; THENCE SOUTH 00°12'48" WEST ALONG SAID EAST LINE, A DISTANCE OF 2190.43 FEET; THENCE NORTH 89°48'07" WEST, A DISTANCE OF 325.40 FEET; THENCE SOUTH 00°42'50" WEST, A DISTANCE OF 51.60 FEET; THENCE NORTH 89°41'46" WEST, A DISTANCE OF 325.75 FEET; THENCE SOUTH 00°13'57" WEST, A DISTANCE OF 697.59 FEET TO THE CENTER LINE OF MILLER ROAD; THENCE SOUTH 80°40'07" WEST ALONG SAID CENTER LINE, A DISTANCE OF 1444.10 FEET TO A POINT ON THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 23; THENCE NORTH 00°12'44" EAST ALONG SAID EAST LINE, A DISTANCE OF 209.94 FEET; THENCE SOUTH 89°43'08" WEST, A DISTANCE OF 1328.94 FEET TO A POINT ON THE WEST LINE OF SAID SOUTHWEST QUARTER; THENCE NORTH 00°11'41" EAST ALONG SAID WEST LINE, A DISTANCE OF 1151.42 FEET; THENCE SOUTH 89°50'38" WEST, A DISTANCE OF 1331.43 FEET TO A POINT ON THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 22; THENCE NORTH 00°11'49" EAST ALONG SAID WEST LINE, A DISTANCE OF 490.47 FEET TO THE NORTH LINE OF SAID SOUTHEAST QUARTER; THENCE SOUTH 89°49'51" WEST ALONG SAID NORTH LINE, A DISTANCE OF 1331.42 FEET TO A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 23; THENCE NORTH 00°07'54" EAST ALONG SAID WEST LINE, A DISTANCE OF 2843.31 FEET TO THE PLACE OF BEGINNING.

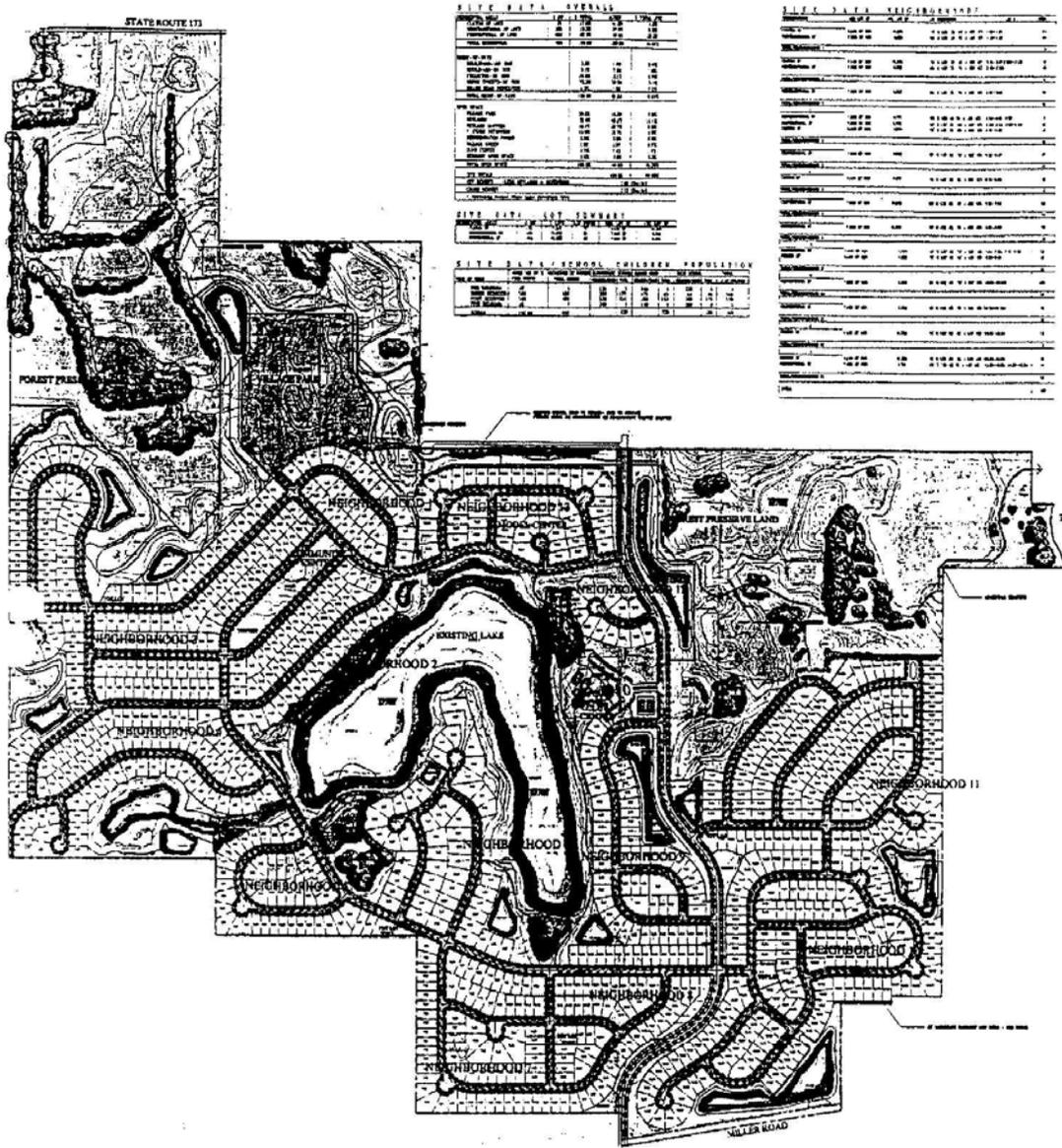
AND ALSO,

THAT PART OF THE NORTHWEST QUARTER OF SECTION 23 IN TOWNSHIP 46 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, LAKE COUNTY, ILLINOIS DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID NORTHWEST QUARTER; THENCE NORTH 89°52'16" EAST ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER, A DISTANCE OF 100.00 FEET TO A POINT ON A NON-TANGENT CURVE; THENCE WESTERLY ALONG A CURVE CONCAVE NORTHERLY HAVING A CHORD BEARING OF SOUTH 89°52'16" WEST AND A RADIUS OF 50.00 FEET, AN ARC DISTANCE OF 157.08 FEET TO THE PLACE OF BEGINNING.

CONTAINING 19,812,909 SQUARE FEET OR 450.250 ACRES, MORE OR LESS.





SITE DATA OVERALL					
Category	Value	Unit	Value	Unit	Value
Overall Area	1,234,567	Sq. Ft.	28.5	Ac.	
Water Area	123,456	Sq. Ft.	2.8	Ac.	
Impervious Area	567,890	Sq. Ft.	12.9	Ac.	
Open Space	345,678	Sq. Ft.	7.9	Ac.	
Other	198,765	Sq. Ft.	4.5	Ac.	

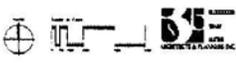
SITE DATA NEIGHBORHOOD					
Neighborhood	Area (Sq. Ft.)	Area (Ac.)	Water (Sq. Ft.)	Water (Ac.)	Impervious (Sq. Ft.)
Neighborhood 1	123,456	2.8	12,345	0.3	56,789
Neighborhood 2	234,567	5.4	23,456	0.5	112,345
Neighborhood 3	345,678	7.9	34,567	0.8	167,890
Neighborhood 4	456,789	10.4	45,678	1.0	223,456
Neighborhood 5	567,890	12.9	56,789	1.3	279,012
Neighborhood 6	678,901	15.5	67,890	1.5	334,567
Neighborhood 7	789,012	18.1	78,901	1.8	390,123
Neighborhood 8	890,123	20.3	89,012	2.0	445,678
Neighborhood 9	901,234	20.7	90,123	2.0	451,234
Neighborhood 10	1,012,345	23.2	101,234	2.3	506,789
Neighborhood 11	1,123,456	25.7	112,345	2.5	562,345

SITE DATA SCHOOL DISTRICTS					
School District	Area (Sq. Ft.)	Area (Ac.)	Water (Sq. Ft.)	Water (Ac.)	Impervious (Sq. Ft.)
School District 1	123,456	2.8	12,345	0.3	56,789
School District 2	234,567	5.4	23,456	0.5	112,345
School District 3	345,678	7.9	34,567	0.8	167,890
School District 4	456,789	10.4	45,678	1.0	223,456
School District 5	567,890	12.9	56,789	1.3	279,012
School District 6	678,901	15.5	67,890	1.5	334,567
School District 7	789,012	18.1	78,901	1.8	390,123
School District 8	890,123	20.3	89,012	2.0	445,678
School District 9	901,234	20.7	90,123	2.0	451,234
School District 10	1,012,345	23.2	101,234	2.3	506,789
School District 11	1,123,456	25.7	112,345	2.5	562,345

**CLUBLANDS of ANTIOCH**  
Masterplanned Community

Antioch, Illinois

Illustrative Plan



NEUMANN  
HOMES  
Date: July 27, 2002

**EXHIBIT B**

**Form of Trust Indenture**

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**[EXHIBIT B]**

**TRUST INDENTURE**

**Between**

**VILLAGE OF ANTIOCH, LAKE COUNTY, ILLINOIS**

**and**

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

**as Trustee**

**Dated as of December 1, 2015**

**\$ \_\_\_\_\_**

**VILLAGE OF ANTIOCH, LAKE COUNTY, ILLINOIS  
SENIOR LIEN SPECIAL SERVICE AREAS  
NUMBER ONE AND TWO  
SPECIAL TAX REFUNDING BONDS, SERIES 2015A  
(DEERCREST/CLUBLANDS PROJECT)**

**and**

**\$ \_\_\_\_\_**

**VILLAGE OF ANTIOCH, LAKE COUNTY, ILLINOIS  
JUNIOR LIEN SPECIAL SERVICE AREAS  
NUMBER ONE AND TWO  
SPECIAL TAX REFUNDING BONDS, SERIES 2015B  
(DEERCREST/CLUBLANDS PROJECT)**

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## EXHIBITS

Exhibit A-1	Legal Description of Special Service Area Number One
Exhibit A-2	Legal Description of Special Service Area Number Two
Exhibit B-1	Form of Bond (Series A)
Exhibit B-2	Form of Bond (Series B)
Exhibit C	Form of Satisfaction of Tax Lien
Exhibit D	Form of Costs of Issuance Disbursement Request

## TRUST INDENTURE

THIS TRUST INDENTURE (the “**Indenture**”) is made and entered into as of December \_\_, 2015, by and between the Village of Antioch, Lake County, Illinois, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Illinois (the “**Village**”), and The Bank of New York Mellon Trust Company, N.A., a national banking association, as Trustee (the “**Trustee**”).

### WITNESSETH:

**WHEREAS**, the Village has previously established Special Service Area Number One described more fully in Exhibit A-1, attached to this Indenture and incorporated herein (“**Special Service Area-SSA Number One**”) pursuant to Ordinance No. 02-09-38 and Ordinance No. 03-05-17 adopted, respectively, on September 27, 2002 and May 5, 2003 (collectively, “**Establishing Ordinance-SSA Number One**”), the provisions of the Special Service Area Tax Law, 35 ILCS 200/27-5 et seq., as amended (the “**Special Service Area Act**”) and the provisions of Section 7 of Article VII of the 1970 Constitution of the State of Illinois, and has otherwise complied with all other conditions precedent required by the Special Service Area Act; and

**WHEREAS**, the Village has previously established Special Service Area Number Two described more fully in Exhibit A-2, attached to this Indenture and incorporated herein (“**Special Service Area-SSA Number Two**”) and together with Special Service Area-SSA Number One, the “**Special Service Areas**”) pursuant to Ordinance No. 02-09-39 and Ordinance No. 03-05-18 adopted, respectively, on September 27, 2002 and May 5, 2003 (“**Establishing Ordinance-SSA Number Two**”) and together with Establishing Ordinance-SSA Number One, the “**Establishing Ordinances**”), the provisions of the Special Service Area Act and the provisions of Section 7 of Article VII of the 1970 Constitution of the State of Illinois, and has otherwise complied with all other conditions precedent required by the Special Service Area Act; and

**WHEREAS**, it was deemed necessary and in the best interests of the Village to provide special services benefiting the Special Service Areas consisting of the acquisition, construction and installation of public improvements including, but not limited to, engineering, surveying, soil testing and appurtenant work, mass grading and demolition, stormwater management facilities, storm drainage systems and storm sewers, site clearing and tree removal, public water facilities, sanitary sewer facilities, erosion control measures, roads, streets, curbs, gutters, street lighting, traffic controls, sidewalks, and related street improvements, and equipment and materials necessary for the maintenance thereof, landscaping, wetland mitigation, public park improvements and tree installation, costs for land and easement acquisitions relating to any of the foregoing improvements, required tap on and related fees for water or sanitary sewer services, and other eligible costs to serve each of the Special Service Areas (the “**Special Services**”); and

**WHEREAS**, the Village has previously issued \$10,685,000 in aggregate principal amount of its Special Service Area Number One Special Tax Bonds, Series 2003 (Deercrest Project) (the “**Series 2003 Deercrest Project Bonds**”), of which \$9,712,000 in principal amount remains outstanding, to pay and provide funds for a portion of the costs of the Special Services; and

**WHEREAS**, the Village has previously issued \$13,850,000 in aggregate principal amount of its Special Service Area Number Two Special Tax Bonds, Series 2003 (Clublands Project) (the “**Series 2003 Clublands Project Bonds**” and together with the Series 2003 Deercrest Project Bonds, the “**Prior Bonds**”), of which \$12,443,000 in principal amount remains outstanding, to pay and provide funds for a portion of the costs of the Special Services; and

**WHEREAS**, pursuant to Ordinance No. \_\_\_\_\_ adopted at a meeting held on November 16, 2015 and a Bond Order executed pursuant thereto (collectively, the “**Bond Ordinance**”) and pursuant to the Special Service Area Act it was determined in the best interests of the Village to issue not to exceed \$26,000,000 aggregate principal amount of the Village of Antioch, Lake County, Illinois Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015 (Deercrest/Clublands Project) (the “**Series 2015 Bonds**”) in one or more series, and as either Senior Lien or Junior Lien bonds, for the purpose of refunding the Prior Bonds; and

**WHEREAS**, the Bond Ordinance authorized the Village President and Village Clerk to establish certain specific terms of the Series 2015 Bonds by executing and delivering a Bond Purchase Agreement with the Underwriter (as defined below); and

**WHEREAS**, pursuant to the terms so established the Village will issue \$\_\_\_\_\_ aggregate principal amount of Senior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015A (Deercrest/Clublands Project) (the “**Series 2015A Bonds**”) and \$\_\_\_\_\_ aggregate principal amount of Junior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015B (Deercrest/Clublands Project) (the “**Series 2015B Bonds**”) upon the terms specified in this Indenture; and

**WHEREAS**, it is in the public interest and for the benefit of the Village, the Special Service Areas and the owners of the Bonds that the Village enter into this Indenture to provide for the issuance of the Series 2015 Bonds, the disbursement of proceeds of the Series 2015 Bonds, the deposit of the special taxes levied pursuant to the Bond Ordinance securing the Bonds, and the administration and payment of the Bonds; and

**WHEREAS**, all things necessary to cause the Series 2015 Bonds, when executed by the Village and issued as provided in the Special Service Area Act, the Local Government Debt Reform Act (as defined below), the Bond Ordinance and this Indenture, to be legal, valid and binding and special obligations of the Village in accordance with their terms, and all things necessary to cause the creation, authorization, execution and delivery of this Indenture and the creation, authorization, execution and issuance of the Series 2015 Bonds, subject to the terms of this Indenture, have in all respects been duly authorized;

**NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:**

**GRANTING CLAUSES**

That the Village in consideration of the premises, the acceptance by the Trustee of the trusts created hereby and the purchase and acceptance of the Series 2015 Bonds by the owners thereof and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable

consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and to secure the performance and observance by the Village of all the covenants expressed or implied herein and in the Bonds, does hereby pledge and assign, and grant a security interest in, the following (the "**Trust Estate**") to The Bank of New York Mellon Trust Company, N.A., as Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Village hereinafter set forth;

#### **GRANTING CLAUSE FIRST**

All right, title and interest of the Village in and to the Special Taxes and any monies held under this Indenture by the Trustee, including the proceeds of the Bonds and the interest, profits and other income derived from the investment thereof other than amounts held by the Trustee in the Administrative Expense Fund, and the Rebate Fund;

#### **GRANTING CLAUSE SECOND**

All funds, monies, property and security and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the Village or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

**TO HAVE AND TO HOLD**, all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trust and assigns forever;

**IN TRUST NEVERTHELESS**, in the following priority, first for the equal and proportionate benefit, security and protection of, all present and future owners of the Senior Lien Bonds from time to time issued and to be issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any one Senior Lien Bond over any other Senior Lien Bond by reason of priority in their issue or negotiation or by reason of the date or dates of their maturity, or for any other reason whatsoever (except as expressly provided in this Indenture), so that each and all of such Senior Lien Bonds shall have the same right, lien and privilege under and shall be equally secured by this Indenture, with the same effect as if the same had all been made, issued and negotiated upon the delivery of this Indenture (all except as expressly provided in this Indenture) and second, for the equal and proportionate benefit and security of the Junior Lien Bonds issued and to be issued under and secured by this Indenture in priority of payment as provided in this Indenture, including any Junior Lien Bonds subsequently issued, without preference, priority or distinction as to participation in the lien, benefit and protection of this Indenture of any one Junior Lien Bond over any other Junior Lien Bond by reason of priority in their issue or negotiation or by reason of the date or dates of their maturity, or for any other reason whatsoever (except as expressly provided in this Indenture), so that each and all of such Junior Lien Bonds shall have the same right, lien and privilege under and shall be equally secured by this Indenture, with the same effect as if the same had all been made, issued and negotiated upon the delivery of this Indenture (all except as expressly provided in this Indenture).

**PROVIDED, HOWEVER,** that if the Village, its successors or assigns, shall pay, or cause to be paid, the principal of, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made on the Bonds as required under this Indenture, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon and shall cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of this Indenture, and shall pay or cause to be paid all sums of money due or to become due in accordance with the terms and provisions hereof, then upon the final payment thereof, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture is to be and remain in full force and effect.

**THIS INDENTURE OF TRUST FURTHER WITNESSETH,** and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, and amounts hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as herein expressed, and the Village has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective owners of the Bonds as follows:

## **ARTICLE I STATUTORY AUTHORITY AND DEFINITIONS**

**Section 1.1 Authority for this Indenture.** This Indenture is entered into pursuant to the powers of the Village pursuant to Part 6 of Section 7 of Article VII of the 1970 Constitution of the State of Illinois and pursuant to the respective provisions of the Special Service Area Act, the Local Government Debt Reform Act and the Bond Ordinance.

**Section 1.2 Agreement for Benefit of Owners of the Bonds.** The provisions, covenants and agreements to be performed by or on behalf of the Village under this Indenture shall be for the equal benefit, protection and security of the Bondholders except as otherwise expressly provided herein. The Trustee may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not the Trustee.

**Section 1.3 Definitions.** Unless the context otherwise requires, the terms defined in this Section 1.3 shall, for all purposes of the Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document mentioned in this Indenture, have the meanings specified below. All references in this Indenture to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision of this Indenture.

**“Administrative Expenses”** means the following actual or reasonably estimated costs permitted in accordance with the Special Service Area Act and directly related to the administration of the Special Service Area and the Bonds as determined by the Village or the Consultant on its behalf; the costs of obtaining or maintaining a rating on the Bonds; the costs of computing the Special Taxes and of preparing the annual Special Taxes collection schedules; the

costs of collecting the Special Taxes (whether by the Village, the County or otherwise), the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee and any fiscal agent (including its legal counsel) in the discharge of the duties required of it under this Indenture or any trustee or fiscal agent agreement; the fees of any rating agency providing a rating on the Bonds, the costs of the Rebate Consultant; the costs of the Village or its designee in complying with disclosure requirements of applicable federal and state securities laws and of the Special Service Area Act, including, but not limited to, public inquiries regarding the Special Taxes; the costs associated with the release of funds from any escrow account; any termination payments owed by the Village in connection with any guaranteed investment contract, forward purchase agreement or other investment of funds held under the Indenture; and amounts advanced by the Village for any other administrative purposes of the Special Service Area, including the costs of prepayment of Special Taxes, recordings related to the prepayment, discharge or satisfaction of Special Taxes; the costs of commencing foreclosure and pursuing collection of delinquent Special Taxes and the reasonable fees of legal counsel of the Village incurred in connection with the foregoing.

“**Administrative Expense Fund**” means the fund by that name established pursuant to Section 7.5 of this Indenture.

“**Authorized Denomination**” means (i) for the Series 2015A Bonds, denominations of \$5,000 and integral multiples of \$1,000 in excess thereof and (ii) for the Series 2015B Bonds, denominations of \$100,000 and integral multiples of \$1,000 in excess thereof.

“**Authorized Officer**” means the Village President, the Village Manager, the Village Finance Director or any other officer designated as such pursuant to a certificate of the Village President delivered to the Trustee.

“**Beneficial Owner**” means, when the Bonds are in a book-entry system, any person who acquires a beneficial ownership interest in a Bond held by DTC. For purposes of the Sections of this Indenture requiring notice to or communications with Beneficial Owners (including, without limitation, Section 10.9) the Trustee, the Bond Registrar and the Village shall be entitled to treat as Beneficial Owners only such persons or entities that provide notice of their beneficial ownership of the Bonds in writing to the Trustee and the Village at least three Business Days prior to the date upon which any notice or communication must be given by the Trustee, the Bond Registrar or the Village under this Indenture. Such notice shall be in form together with evidence of beneficial ownership satisfactory to the Trustee, the Bond Registrar and the Village and shall include the name of the Beneficial Owner, the address of the Beneficial Owner (which shall also include a delivery address if a post office box is given) and the principal amount of Bonds in which the Beneficial Owner has a beneficial ownership interest. The Trustee, the Bond Registrar and the Village may rely on any notice so given until such time as it is revoked or amended by subsequent written notice to the Trustee and the Village.

“**Bond**” or “**Bonds**” means any bond or bonds, including Refunding Bonds, Senior Lien Bonds or Junior Lien Bonds, authenticated and delivered under and pursuant to Articles II or III of this Indenture.

“**Bond and Interest Fund**” means the fund by that name established pursuant to Section 7.1 of this Indenture.

“**Bond Registrar**” means The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois and its successors or assigns.

“**Bondholder**” means the person in whose name such Bond is registered in the bond register maintained by the Bond Registrar.

“**Bond Year**” means the period from March 2 to and including March 1 of each succeeding calendar year.

“**Business Day**” means a day on which banks in Chicago, Illinois and New York, New York are open to transact business.

“**Code**” means the Internal Revenue Code of 1986, as amended and the regulations promulgated pursuant to the Code.

“**Consultant**” means David Taussig & Associates, Inc. and its successors and assigns or any other firm selected by the Village to assist it in administering the Special Service Area and the extension and collection of Special Taxes pursuant to the Special Tax Roll and Reports.

“**Consulting Services Agreement**” means the Agreement For Administrative Services between the Village and the Consultant.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement between the Village and the Dissemination Agent named therein, which initially shall be the Trustee, relating to the Series 2015 Bonds.

“**Corporate Authorities**” means the President and Board of Trustees of the Village.

“**Costs of Issuance Account**” means the account by that name established pursuant to Section 7.5 of this Indenture.

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

“**Debt Service Coverage Ratio**” means the ratio of the Maximum Parcel Special Taxes (as defined in the Special Tax Roll and Report) for each Bond Year to the debt service due on the outstanding Bonds for each Bond Year.

“**Defeasance Securities**” means any bond or other obligations not subject to redemption or prepayment which, as to both principal and interest, constitute direct obligations of, or the timely payment of which are unconditionally guaranteed by, the United States of America, and any certificates or any other evidences of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this definition.

“**Depository Participant**” shall have the meaning given that term in Section 2.10 of this Indenture.

“**Dissemination Agent**” initially means The Bank of New York Mellon Trust Company, N.A. as Dissemination Agent under the Continuing Disclosure Agreement, and any successor appointed in accordance with the terms of the Continuing Disclosure Agreement.

“**DTC**” means The Depository Trust Company, New York, New York.

“**Electronic Means**” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“**Establishing Ordinances**” means the ordinances of the Village as defined in the Preambles of this Indenture.

“**Event of Default**” shall have the meaning given that term in Section 9.1 of this Indenture.

“**Foreclosure Proceeds**” means the proceeds of any redemption or sale of property in the Special Service Area sold as the result of a foreclosure action of the lien of the Special Taxes.

“**Government Securities**” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of the United States of America and all securities and obligations, the prompt payment of principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America.

“**Indenture**” means this Trust Indenture dated as of December 1, 2015 between the Village and the Trustee, as amended and supplemented from time to time.

“**Indirect Participant**” shall have the meaning given that term in Section 2.10 of this Indenture.

“**Interest Payment Date**” means March 1 and September 1 of each year, commencing on March 1, 2016.

“**Junior Lien Bonds**” means a series of Bonds of the Village issued pursuant to this Indenture which have a claim for payment from Special Taxes subordinate to the claim of the Senior Lien Bonds, as provided in Section 7.1 of this Indenture and which are identified as such in this Indenture or in the Supplemental Indenture pursuant to which such series of Bonds are issued.

“**Junior Lien Principal and Interest Account**” means the Principal and Interest Account established in Section 7.1 of this Indenture.

“**Junior Lien Reserve Fund**” means the fund by that name created pursuant to Section 7.3 of this Indenture.

“**Junior Lien Reserve Requirement**” means \$\_\_\_\_\_ to be funded from proceeds of the Series 2015B Bonds, as such amount may be reduced by the amount of Reserve Fund Credits

transferred to the Special Redemption Account in connection with a redemption of the Series 2015 Bonds from prepayments as set forth in Section 7.1(e) of this Indenture.

“**Letter of Representations**” means the Blanket Issuer Letter of Representations dated \_\_\_\_\_, 20\_\_ from the Village to DTC, as amended from time to time.

“**Local Government Debt Reform Act**” means the Local Government Debt Reform Act of the State of Illinois, 30 ILCS §350/1 et seq., as amended.

“**Maximum Parcel Special Taxes**” shall have the meaning given that term in Section II of the Special Tax Roll and Reports.

“**Moody’s**” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or consolidated or shall no longer perform the functions of a securities rating agency “**Moody’s**” shall refer to such other nationally recognized securities rating agency designated by the Village to the Trustee.

“**Parcel**” shall have the meaning given that term in the Special Tax Roll and Reports.

“**Penalty**” shall have the meaning given that term in Section 8.1(c) of this Indenture.

“**Principal Prepayment Amount**” means the “**Special Tax Bond Prepayment**” as defined in the Special Tax Roll and Reports.

“**Prior Bond**” or “**Prior Bonds**” means the Village’s Series 2003 Deercrest Project Bonds and the Series 2003 Clublands Project Bonds.

“**Prior Trustee**” means Amalgamated Bank of Chicago, as successor trustee for the Prior Bonds.

“**Purchase Contract**” means the Bond Purchase Agreement dated December \_\_, 2015 between the Underwriter and the Village.

“**Qualified Investments**” means, to the extent permitted by then applicable Illinois and Village law, the following:

(a) Government Securities;

(b) bonds, notes, debentures, or other similar obligations of the United States of America or its agencies rated in the highest general classification established by a rating service of nationally recognized expertise in rating such obligations at the time of purchase, including (i) federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.); (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by Act of Congress;

(c) interest bearing obligations of any county, township, city, village, incorporated town, municipal corporation or school district, which obligations are registered in the name of the Village or held under a custodial agreement at a bank, if such obligations at the time of purchase are rated in one of the two highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;

(d) interest bearing certificates of deposit, interest bearing savings accounts, interest bearing time deposits, or other investments constituting direct obligations of any bank as defined by the Illinois Banking Act which are insured by the Federal Deposit Insurance Corporation (including the Trustee and its affiliates);

(e) repurchase agreements of Government Securities which are subject to the Government Securities Act of 1986. The Government Securities, unless registered or inscribed in the name of the Village, shall be purchased through banks or trust companies authorized to do business in the State of Illinois;

(f) short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase in one of the three highest rating categories by at least two standard rating services and which mature not later than 180 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) no more than one-third of the Village's funds are invested in short-term obligations of such corporation as evidenced by a certificate from an Authorized Officer; and

(g) money market mutual funds registered under the Investment Company Act of 1940 as amended (including those of an affiliate of the Trustee or for which the Trustee or any of its affiliates provides management advisory or other services) invested solely in obligations listed in paragraph (a) and (b) above and in agreements to repurchase such obligations;

together with such other investments as shall from time to time be lawful for the investment of Village funds and shall be approved by the holders of fifty-one percent (51%) of aggregate principal amount of bonds outstanding; provided that "**Qualified Investments**" shall not include a financial instrument, commonly known as a "derivative," whose performance is derived, at least in part, from the performance of any underlying asset, including, without limitation, futures, options on securities, options on futures, forward contracts, swap agreements, structured notes and participations in pools of mortgages or other assets.

"**Rebate Consultant**" means an entity selected by the Village expert in the calculation of rebate amounts pursuant to Section 148 of the Internal Revenue Code of 1986, as amended. If at any time the Rebate Consultant resigns or is removed, and the Village shall not have appointed a successor within 30 days, the Rebate Consultant shall be an entity selected by the Trustee.

"**Rebate Fund**" means the fund by that name established pursuant to Section 7.5 of this Indenture.

“**Rebate Requirement**” shall have the meaning given that term in Section 8.1(b) of this Indenture.

“**Record Date**” means the fifteenth day of the month preceding an Interest Payment Date.

“**Reserve Fund Credit**” shall have the meaning given that term in Exhibit B of the Special Tax Roll and Reports. For purposes of calculating the Reserve Fund Credit, the Reserve Fund Requirement shall be \$\_\_\_\_\_ (which represents maximum annual debt service on the Bonds).

“**Responsible Officer**” means, when used with respect to the Trustee, any vice president, assistant vice president, senior associate, associate or other officer of the Trustee within the corporate trust office specified in Section 13.2 (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the corporate trust office specified in Section 13.2 because of such person’s knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Indenture.

“**Senior Lien Bonds**” means a Series of Bonds of the Village issued pursuant to this Indenture which have a claim for payment from Special Taxes prior to the claim of the Junior Lien Bonds, as further provided in Section 7.1 of this Indenture and which are identified as such in this Indenture or in the Supplemental Indenture pursuant to which such Series of Bonds are issued.

“**Senior Lien Reserve Fund**” means the fund by that name created pursuant to Section 7.2 of this Indenture.

“**Senior Lien Reserve Requirement**” means \$\_\_\_\_\_ to be funded from proceeds of the Series 2015A Bonds, as such amount may be reduced by the amount of Reserve Fund Credits transferred to the Special Redemption Account in connection with a redemption of the Series 2015 Bonds from prepayments as set forth in Section 7.1(e) of this Indenture.

“**Series 2015 Bonds**” means, collectively, the Series 2015A Bonds, the Series 2015B Bonds and the Series 2015C Bonds.

“**Series 2015A Bonds**” means the Village’s Senior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015A (Deercrest/Clublands Project) in the aggregate principal amount of \$\_\_\_\_\_.

“**Series 2015B Bonds**” means the Village’s Junior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015B (Deercrest/Clublands Project) in the aggregate principal amount of \$\_\_\_\_\_.

“**Special Redemption Account**” means the account by that name established pursuant to Section 7.1 of this Indenture.

“**Special Service Areas**” means Village’s Special Service Area Number One and Special Service Area Number Two, described more fully in Exhibit A-1 and Exhibit A-2 to this Indenture.

“**Special Service Area Act**” means the Special Service Area Tax Law of the State of Illinois, 35 ILCS §200/27-5 et seq., as amended.

“**Special Services**” means the improvements benefiting the Special Service Areas consisting of engineering, soil testing and appurtenant work, mass grading and demolition, storm water management facilities, storm drainage systems and storm sewers, site clearing and tree removal, public water facilities, sanitary sewer facilities, erosion control measures, roads, streets, curbs, gutters, street lighting, traffic controls, sidewalks, equestrian paths and related street improvements, and equipment and materials necessary for the maintenance thereof, landscaping, wetland mitigation, public park improvements and tree installation, costs for land and easement acquisitions relating to any of the foregoing improvements, required tap-on and related fees for water or sanitary sewer services and other eligible costs to serve the Special Service Areas.

“**Special Taxes**” means the taxes levied by the Village on all taxable real property within the Special Service Areas pursuant to the Special Tax Roll and this Indenture.

“**Special Tax Requirement**” means the “**Special Tax Requirement**” as defined in the Special Tax Roll and Reports, provided that credit may be given for any amounts on deposit in the Funds and Accounts created by this Indenture and available to pay the Special Tax Requirement.

“**Special Tax Rolls**” means the special tax rolls for the payment of the Bonds established and amended from time to time pursuant to the Special Tax Roll and Reports.

“**Special Tax Roll and Reports**” means the Village of Antioch Special Service Area Number One (Deercrest) Special Tax Roll and Report dated April 29, 2003 and the Village of Antioch Special Service Area Number Two (Clublands) Special Tax Roll and Report dated April 29, 2003, including all exhibits attached thereto, as amended, prepared by Consultant.

“**Supplemental Indenture**” means an indenture adopted by the Corporate Authorities of the Village as provided in Article XI hereof which amends or supplements this Indenture.

“**Tax Agreement**” or “**Tax Agreements**” means the Non-Arbitrage and Tax Compliance Certificate of the Village dated the date of issuance and delivery of the Series 2015 Bonds, as amended from time to time.

“**Trustee**” means The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois and its successors and assigns.

“**Underwriter**” means William Blair & Company, L.L.C.

“**Village**” means the Village of Antioch, Lake County, Illinois.

## **ARTICLE II BOND DETAILS**

### **Section 2.1 Purpose of Issuance; Amount of Series 2015 Bonds.**

(a) Series 2015A Bonds in the aggregate principal amount of \$\_\_\_\_\_ shall be issued as provided in this Indenture pursuant to the Special Service Area Act and the Local Government Debt Reform Act. The Series 2015A Bonds shall be issued as Senior Lien Bonds for the purpose of (i) refunding a portion of the Prior Bonds, the proceeds of which Prior Bonds were used to fund a portion of the costs of the Special Services, (ii) funding the costs of a bond insurance premium to provide credit enhancement for the Series 2015A Bonds, (iii) funding the costs of the Village in connection with the issuance of the Series 2015A Bonds and refunding the Prior Bonds, and (iv) funding a Senior Lien Reserve Fund.

(b) Series 2015B Bonds in the aggregate principal amount of \$\_\_\_\_\_ shall be issued as provided in this Indenture. The Series 2015B Bonds shall be issued as Junior Lien Bonds for the purpose of (i) refunding a portion of the Prior Bonds, (ii) funding the costs of the Village in connection with the issuance of the Series 2015B Bonds and refunding the Prior Bonds, and (iii) funding a Junior Lien Reserve Fund.

**Section 2.2 Form; Denominations; Numbers.** The Series 2015A Bonds shall be issued only in fully registered form without coupons initially in the denominations of \$5,000 and integral multiples of \$1,000 in excess of that sum. The Series 2015B Bonds shall be issued only in fully registered form without coupons initially in the denominations of \$100,000 and integral multiples of \$1,000 in excess of that sum. The Series 2015A Bonds shall be designated “Senior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015A (Deercrest/Clublands Project)” and shall be numbered consecutively from R-1 upward but need not be authenticated or delivered in consecutive order. The Series 2015B Bonds shall be designated “Junior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015B (Deercrest/Clublands Project)” and shall be numbered consecutively from R-1 upward, but need not be authenticated or delivered in consecutive order.

**Section 2.3 Date of Series 2015 Bonds; CUSIP Identification Numbers.** The Series 2015 Bonds shall be dated as of the date of delivery of the Series 2015 Bonds to the Underwriter upon original issuance. CUSIP identification numbers shall be imprinted on the Series 2015 Bonds, provided that any failure on the part of the Village or the Trustee to use such CUSIP numbers in any notice to any Bondholders shall not constitute an Event of Default or any violation of the Village’s contract with such Bondholders and shall not impair the effectiveness of such notice.

### **Section 2.4 Maturities; Interest Rates.**

(a) The Series 2015A Bonds shall mature and become payable on March 1 in the years and in the amounts and shall bear interest at the rates set forth below:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
20__ (maturity)	\$ _____	_____ %
20__ (maturity)	_____	_____ %

(b) The Series 2015B Bonds shall mature and become payable on March 1 in the year and in the amount and shall bear interest at the rate set forth below:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
20__ (maturity)	\$ _____	_____ %

**Section 2.5 Interest.** The Series 2015 Bonds shall bear interest at the rate set forth in Section 2.4 payable on the Interest Payment Dates in each year with the first Interest Payment Date being March 1, 2016. Interest on the Series 2015 Bonds shall be calculated on the basis of a 360 day year composed of twelve 30-day months. Each Series 2015 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of such Series 2015 Bond unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from its dated date; provided, however, that if at the time of authentication of a Series 2015 Bond, interest is in default on such Series 2015 Bond, such Series 2015 Bond shall bear interest from the Interest Payment Date to which interest had previously been paid or made available for payment on such Series 2015 Bond.

**Section 2.6 Form of Series 2015 Bonds; Execution; Authentication.** The Series 2015 Bonds shall be in substantially the forms set forth in Exhibit B-1 and Exhibit B-2 to this Indenture. Each Series 2015 Bond shall be executed by the manual or facsimile signature of the President and the manual or facsimile signature of the Village Clerk and shall have the corporate seal of the Village affixed to it (or a facsimile of that seal printed on it). The President and the Village Clerk (if they have not already done so) are authorized and directed to file with the Illinois Secretary of State their manual signatures certified by them pursuant to the Uniform Facsimile Signatures of Public Officials Act, as amended, which shall authorize the use of their facsimile signatures to execute the Series 2015 Bonds. Each Series 2015 Bond so executed shall be as effective as if manually executed. In case any officer of the Village whose signature or a facsimile of whose signature shall appear on the Series 2015 Bonds shall cease to be such officer before authentication and delivery of any of the Series 2015 Bonds, that signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

No Series 2015 Bond shall be valid for any purpose unless and until a certificate of authentication on that Bond substantially in the forms set forth in the bond form in Exhibit B-1 and Exhibit B-2 to this Indenture shall have been duly executed by the Trustee appointed by this Indenture as authenticating agent of the Village. Execution of that certificate upon any Series 2015

Bond shall be conclusive evidence that the Series 2015 Bond has been authenticated and delivered under this Indenture.

**Section 2.7 Payment of the Series 2015 Bonds.** The Series 2015 Bonds shall be payable in lawful money of the United States at the office of the Trustee. The principal of each Series 2015 Bond shall be payable at maturity upon presentment of the Series 2015 Bond at the office of the Trustee. Interest on each Series 2015 Bond shall be payable on each Interest Payment Date by check or draft of the Trustee mailed to the person in whose name that Series 2015 Bond is registered on the books of the Bond Registrar at the close of business on the Record Date. During such time as the Series 2015 Bonds are registered so as to participate in a securities depository system with DTC, principal of and interest and redemption premium on each Bond shall be payable by wire transfer pursuant to instructions from DTC.

**Section 2.8 Appointment of Trustee.** The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois is appointed Trustee, Paying Agent and Bond Registrar for the Series 2015 Bonds.

**Section 2.9 Registration of Series 2015 Bonds; Persons Treated as Owners.** The Series 2015 Bonds shall be negotiable, subject to the following provisions for registration and registration of transfer. The Village shall maintain books for the registration of the Series 2015 Bonds at the office of the Bond Registrar. Each Series 2015 Bond shall be fully registered on those books in the name of its owner, as to both principal and interest. Transfer of each Series 2015 Bond shall be registered only on those books upon surrender of that Bond to the Bond Registrar by the registered owner or his or her attorney duly authorized in writing together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney. Upon surrender of a Series 2015 Bond for registration of transfer, the Village shall execute, the Trustee shall authenticate, and the Bond Registrar shall deliver, in the name of the transferee, one or more new Series 2015 Bonds of the same series, same aggregate principal amount and of the same maturity as the Series 2015 Bond surrendered.

Series 2015 Bonds may be exchanged, at the option of the registered owner, for an equal aggregate principal amount of Series 2015 Bonds of the same series and maturity of any other Authorized Denominations, upon surrender of those Series 2015 Bonds at the office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney.

In all cases in which the privilege of exchanging or transferring Series 2015 Bonds is exercised, the Village shall execute, the Trustee shall authenticate, and the Bond Registrar shall deliver, Series 2015 Bonds in accordance with the provisions of this Indenture. All Series 2015 Bonds surrendered in any exchange or transfer shall be canceled immediately by the Bond Registrar.

For every exchange or registration of transfer of Series 2015 Bonds, the Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the Village, required to be paid with respect to that exchange or registration of transfer, and payment of that charge by the person requesting exchange or registration of transfer shall be a condition precedent to that exchange or registration of transfer.

No other charge may be made by the Village or the Bond Registrar as a condition precedent to exchange or registration of transfer of any Series 2015 Bond.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond following the close of business on the 15th day of the month preceding any Interest Payment Date on such Series 2015 Bond, nor to transfer or exchange any Series 2015 Bond after notice calling such Series 2015 Bond for redemption has been mailed, nor during a period of 15 days next preceding mailing of a notice of redemption of any Series 2015 Bonds.

The Village, the Trustee and the Bond Registrar may treat the registered owner of any Series 2015 Bond as its absolute owner, whether or not that Series 2015 Bond is overdue, for the purpose of receiving payment of the principal of or interest on that Series 2015 Bond and for all other purposes, and neither the Village, the Bond Registrar nor the Trustee shall be affected by any notice to the contrary. Payment of the principal of and interest on each Series 2015 Bond shall be made only to its registered owner, and all such payments shall be valid and effective to satisfy the obligation of the Village on that Series 2015 Bond to the extent of the amount paid.

**Section 2.10 Global Form; Securities Depository.** It is intended that the Series 2015 Bonds be registered so as to participate in a securities depository system with DTC, as set forth herein. The Series 2015 Bonds shall be initially issued in the form of a single fully registered bond for each of the maturities as established in Section 2.4 of this Indenture. Upon initial issuance, the ownership of the Series 2015 Bonds shall be registered in the name of Cede & Co., or any successor thereto, as nominee for DTC. The Village and the Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the securities depository system of DTC, including the Letter of Representations. With respect to Series 2015 Bonds registered in the name of Cede & Co., as nominee of DTC, the Village, the Bond Registrar and the Trustee shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Series 2015 Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “**Depository Participant**”) or to any person on behalf of whom such a Depository Participant holds an interest in the Series 2015 Bonds (each such person being herein referred to as an “**Indirect Participant**”). Without limiting the immediately preceding sentence, the Village, the Bond Registrar and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to the ownership interest in the Series 2015 Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Series 2015 Bond, of any notice with respect to the Series 2015 Bonds, including any notice of redemption or (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Series 2015 Bond, of any amount with respect to principal of, premium, if any, or interest on, the Series 2015 Bonds. Notwithstanding the foregoing, the Village, the Bond Registrar and the Trustee shall have those obligations and responsibilities set forth in this Indenture with respect to Beneficial Owners who have provided notice of their beneficial ownership to the Village, the Bond Registrar and the Trustee as set forth in the definition of Beneficial Owner. While in the securities depository system of DTC, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Series 2015 Bond certificate with respect to any Series 2015 Bond. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the

provisions of this Indenture with respect to the payment of interest by the mailing of checks or drafts to the registered owners of Series 2015 Bonds at the close of business on the record date applicable to any interest payment date, the name “Cede & Co.” in this Indenture shall refer to such new nominee of DTC.

In the event that (a) the Trustee determines that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representations, (b) the Letter of Representations shall be terminated for any reason or (c) the Village determines that it is in the best interests of the Beneficial Owners of the Series 2015 Bonds that they be able to obtain certificated Series 2015 Bonds, the Village shall notify DTC of the availability through DTC of Bond certificates and the Series 2015 Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Village may determine that the Series 2015 Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Village or such depository’s agent or designee, and if the Village does not select such alternate securities depository system then the Series 2015 Bonds may be registered in whatever name or names registered owners of Series 2015 Bonds transferring or exchanging Series 2015 Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provisions of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Series 2015 Bonds and all notices with respect to the series shall be made and given, respectively, in the manner provided in the Letter of Representations.

### **ARTICLE III NO ADDITIONAL BONDS**

**Section 3.1 No Additional Bonds.** The Village may not issue additional bonds under this Indenture other than bonds issued to refund the Series 2015 Bonds. Such refunding Bonds may only be issued as Senior Lien Bonds or Junior Lien Bonds, except that the debt service of the refunding bonds may not exceed the debt service to be paid over the remaining duration of the refunded bonds.

### **ARTICLE IV REDEMPTION OF SERIES 2015 BONDS**

**Section 4.1 Mandatory Sinking Fund Redemption.**

The Series 2015A Bonds maturing March 1, 20\_\_ are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
20__	\$
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__ (maturity)	

The Series 2015A Bonds maturing March 1, 20\_\_ are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
20__	\$
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__ (maturity)	

The Series 2015B Bonds maturing March 1, 20\_\_ are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
20__	\$
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__ (maturity)	

The Village covenants that it will redeem the Series 2015 Bonds pursuant to the mandatory sinking fund redemption requirements for the Series 2015 Bonds to the extent amounts are on deposit in the applicable subaccount of the Bond and Interest Fund. Proper provision for mandatory redemption having been made, the Village covenants that the Series 2015 Bonds so selected for redemption shall be payable upon redemption and taxes have been levied and will be collected as provided herein and in the Bond Ordinance for such purposes.

The foregoing mandatory sinking fund requirements are subject to adjustment as described in Sections 4.2, 4.3 and 4.4.

**Section 4.2 Optional Redemption.** The Series 2015 Bonds maturing on or after March 1, 2026 are subject to optional redemption prior to maturity at the option of the Village, in whole or in part, on any date on or after March 1, 2025, at a redemption price of par; plus accrued and unpaid interest to the date of redemption.

Any optional redemption of Series 2015 Bonds in part shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption pursuant to Section 4.1 of this Indenture, and so as to maintain the proportion of principal maturing and subject to mandatory sinking fund redemption in each year to the total original principal amount of Series 2015 Bonds.

**Section 4.3 Mandatory Redemption Upon Condemnation or Change in Density.**

(a) The Series 2015 Bonds are subject to mandatory redemption on any date, in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium, from amounts in the Special Redemption Account consisting of the proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property dedicated to, or owned by, the Village within the Special Service Area and allocable to the Series 2015 Bonds as determined by the Consultant and which proceeds are not used by the Village to rebuild the Special Services.

(b) The Bonds are subject to mandatory redemption on any Interest Payment Date, in whole or in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, in the event of a mandatory prepayment of the Special Taxes upon a reduction in the Maximum Parcel Special Tax as a result of a change in the number of single family lots or townhome lots to be built within such Special Service Area as set forth in the final plat or plots of subdivision approved by the Village or any other event that reduces the total of the Maximum Parcel Special Tax as described in, and in the amounts set forth in, Section H of each Rate and Method, as amended.

Any mandatory redemption of the Series 2015 Bonds pursuant to this Section 4.3 shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption pursuant to Section 4.1 of this Indenture and so as to maintain the proportion of principal maturing and subject to mandatory sinking fund redemption in each year to the total original principal amount of the Series 2015 Bonds.

**Section 4.4 Special Mandatory Redemption from Optional Prepayment of Special Taxes.** The Series 2015 Bonds are also subject to mandatory redemption on any March 1, June 1, September 1 or December 1, in part, from amounts available for disbursement from the Special Redemption Account pursuant to Section 7.1(e), including amounts transferred from the Senior Lien Reserve Fund and the Junior Lien Reserve Fund to the Special Redemption Account pursuant to Section 7.1(e), at a redemption price (expressed as a percentage of the principal amount of the Series 2015 Bonds to be redeemed), as set forth below, together with accrued interest on such Series 2015 Bonds to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
On or prior to February 28, 2024	102%
March 1, 2024 through February 28, 2025	101
March 1, 2025 and thereafter	100

Any special mandatory redemption of the Series 2015 Bonds pursuant to this Section 4.4 shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption pursuant to Section 4.1 of this Indenture and paid at maturity and so as to maintain the proportion of principal maturing in each year and subject to mandatory sinking fund redemption to the total original principal amount of Series 2015 Bonds.

**Section 4.5 Redemption Provisions; Notice of Redemption.** If less than all the Series 2015 Bonds of any series and maturity are to be redeemed on any redemption date, the Bond Registrar appointed in this Indenture shall assign to each Series 2015 Bond of the series and maturity to be redeemed a distinctive number for each \$1,000 of principal amount of that Series

2015 Bond. The notice of redemption shall state that such redemption is subject to the irrevocable deposit of funds sufficient to redeem the Series 2015 Bonds to be redeemed on the redemption date. The Bond Registrar shall then select randomly from the numbers so assigned, using such method as it shall deem proper in its discretion, as many numbers as, at \$1,000 per number, shall equal the principal amount of Series 2015 Bonds of that maturity to be redeemed; provided that following any redemption, no Series 2015 Bond shall be outstanding in an amount less than the minimum Authorized Denomination except as necessary to effect the mandatory sinking fund redemption of Series 2015 Bonds as provided in Section 4.1 hereof.

Notice of the redemption of any Series 2015 Bonds, which by their terms shall have become subject to redemption, shall be given to the registered owner of each Bond or portion of a Bond called for redemption not less than 20 or more than 60 days before any date established for redemption of Series 2015 Bonds, by the Bond Registrar, on behalf of the Village, by first class mail sent to the registered owner's last address, if any, appearing on the registration books kept by the Bond Registrar. All notices of redemption shall include at least the designation, date and maturities of Series 2015 Bonds called for redemption, CUSIP Numbers, if available, and the date of redemption. In the case of a Series 2015 Bond to be redeemed in part only, the notice shall also specify the portion of the principal amount of the Series 2015 Bond to be redeemed. The mailing of the notice specified above to the registered owner of any Series 2015 Bond shall be a condition precedent to the redemption of that Series 2015 Bond, provided that any notice which is mailed in accordance with this Indenture shall be conclusively presumed to have been duly given whether or not the owner received the notice. The failure to mail notice to the owner of any Series 2015 Bond, or any defect in that notice, shall not affect the validity of the redemption of any other Series 2015 Bond for which notice was properly given.

**Section 4.6 Purchase in Lieu of Redemption.** In lieu of redemption as provided in this Article IV, moneys in the Bond and Interest Fund may be used and withdrawn by the Village for the purchase of outstanding Series 2015 Bonds, at public or private sale as and when, and at such prices (including brokerage and other charges) as the Village may provide, but in no event may Series 2015 Bonds be purchased at a price in excess of the principal amount of such Series 2015 Bonds, plus interest accrued to the date of purchase and any premium which would otherwise be due if such Series 2015 Bonds were to be redeemed in accordance with this Indenture.

## **ARTICLE V APPLICATION OF PROCEEDS AND OTHER AMOUNTS**

### **Section 5.1 Application of Proceeds.**

(a) The proceeds of the sale of the Series 2015 Bonds in the amount of \$ \_\_\_\_\_ which is net of underwriter's discount in the amount of \$ \_\_\_\_\_, shall be applied as follows immediately upon receipt of the purchase price:

(i) The amount of \$ \_\_\_\_\_ shall be transferred to the Prior Trustee, as trustee and escrow agent for the Prior Bonds, to be deposited to the Bond and Interest Fund in accordance with the Trust Indenture of the Village securing the Prior Bonds and used to currently refund all outstanding Prior Bonds and to pay principal and interest on the Prior Bonds on \_\_\_\_\_, 2015 and to

redeem the Prior Bonds at a Redemption Price equal to 100% of the principal amount of Bonds to be redeemed, plus all accrued interest thereon to the redemption date.

(ii) The amount of \$\_\_\_\_\_ shall be deposited in the Administrative Expense Fund.

(iii) The amount of \$\_\_\_\_\_ shall be deposited in the Costs of Issuance Account of the Administrative Expense Fund.

(iv) The amount of \$\_\_\_\_\_ shall be deposited in the Senior Lien Reserve Fund.

(v) The amount of \$\_\_\_\_\_ shall be deposited in the Junior Lien Reserve Fund.

(vi) The amount of \$\_\_\_\_\_ shall be paid to the Bond Insurer.

All amounts received upon the sale of the Series 2015 Bonds, together with all interest and other investment earnings on those amounts, are appropriated and set aside for the purposes for which the Series 2015 Bonds are being issued as set forth in this Indenture.

**Section 5.2 Application of Other Amounts.** The Prior Trustee shall (i) transfer and deposit \$\_\_\_\_\_ of amounts held in the Administrative Expense Fund for the Prior Bonds into the Prior Bond Principal and Interest Fund; (ii) transfer and deposit \$\_\_\_\_\_ of amounts held in the Bond and Interest Funds for the Prior Bonds into the Prior Bond Principal and Interest Fund; and (iii) transfer all amounts held in the Reserve Funds for the Prior Bonds (\$\_\_\_\_\_), and the Special Redemption Accounts for the Prior Bonds (\$\_\_\_\_\_), to the Prior Bond Principal and Interest Fund to be applied to pay interest due on the Bonds through \_\_\_\_\_, 2015, pay principal due on the Prior Bonds on \_\_\_\_\_, 2015 and the redemption price of the Prior Bonds to be redeemed on \_\_\_\_\_, 2015. Any excess investment earnings on such funds and accounts and any additional Special Taxes collected from the levy for the Prior Bonds shall be transferred to the Bond and Interest Fund for the Series 2015 Bonds and applied in accordance with Section 7.1 hereof.

## **ARTICLE VI SECURITY FOR THE SERIES 2015 BONDS**

**Section 6.1 Limited Obligations.** The Series 2015 Bonds shall constitute limited obligations of the Village, payable from the Special Taxes and other moneys deposited in the Funds and Accounts established pursuant to Article VII other than the Administrative Expense Fund and the Rebate Fund. The Series 2015 Bonds shall not constitute general obligations of the Village and neither the full faith and credit nor the unlimited taxing power of the Village shall be pledged as security for payment of the Series 2015 Bonds.

**Section 6.2 Levy of Special Taxes.**

(a) Pursuant to the Bond Ordinance there have been levied Special Taxes upon all taxable real property within the Special Service Areas subject to the Special Taxes sufficient to pay and discharge the principal of the Series 2015 Bonds at maturity or mandatory sinking fund redemption dates and to pay interest on the Series 2015 Bonds for each year at the interest rates set forth in Section 2.4 of this Indenture, to pay the estimated Administrative Expenses of the Village for each year and to replenish (i) the Senior Lien Reserve Fund to an amount equal to the Senior Lien Reserve Requirement and (ii) the Junior Lien Reserve Fund to an amount equal to the Junior Lien Reserve Requirement.

(b) The Village Clerk has been directed to file a certified copy of the Bond Ordinance, and an accurate map of each of the Special Service Areas, with the County Clerk of the County. The Special Taxes shall be computed, extended and collected in accordance with the Special Tax Rolls, and divided among all taxable real property within the Special Service Areas in accordance with the terms of the Establishing Ordinances and the Special Tax Roll and Reports. It shall be the duty of the Village and the Village hereby covenants, annually on or before the last Tuesday of December for each of the years 2015 through 2033 to calculate or cause the Consultant to calculate the Special Tax Requirement; to amend the Special Tax Rolls pursuant to Section VI.E. of the Special Tax Roll and Reports and provide the County tax collector with the amended Special Tax Rolls; to adopt an ordinance approving the amount of the current calendar year's Special Tax Requirement and abating the Special Taxes levied pursuant to the Bond Ordinance to the extent the taxes levied pursuant to the Bond Ordinance exceed the Special Tax Requirement as calculated by the Consultant pursuant to the Establishing Ordinances and the Special Tax Roll and Reports and direct the County Clerk of Lake County to extend the Special Taxes for collection on the tax books against all of the taxable real property within the Special Service Area subject to the Special Taxes in connection with other taxes levied in each of such years for general Village purposes. In the event the Lake County Clerk refuses to extend the Special Taxes for collection, the Village shall bill and collect the Special Taxes directly. On or before the last Tuesday of January for each of the years 2016 through 2034 the Village shall notify the Trustee of the amount of the Special Tax Requirement and the amount of the Special Taxes to be abated. The Village shall take all actions which shall be necessary to provide for the levy, extension, collection and application of the taxes levied by the Bond Ordinance, including enforcement of such taxes by providing the County with such information as is deemed necessary to enable the County to include any property subject to delinquent Special Taxes in the County Collector's annual tax sale and in the event the tax lien is forfeited at such tax sale, by institution of foreclosure procedures as provided by law; provided, however, that the obligation to institute any foreclosure action against any taxpayer other than a taxpayer owning at least five percent (5%) of the property in the Special Service Areas shall only arise in the event the Village makes the determination that the proceeds from the foreclosure action have a commercially reasonable expectation of exceeding the costs thereof.

The Village covenants that to the extent necessary to enforce a prepayment it will adopt a supplemental levy ordinance in the event of a mandatory prepayment of the Special Taxes pursuant to Section VI.G. of the Special Tax Roll and Reports caused by a change in the expected number of single family lots or townhome lots or duplex lots as set forth in the final plat or plats of subdivision for each neighborhood approved by the Village, to the extent that the mandatory prepayment amount calculated pursuant to the terms of the Special Tax Roll and Report exceeds the Special Taxes levied for the year in which the prepayment is due pursuant to the Bond Ordinance.

(c) Upon receipt by the Trustee of any prepayment of Special Taxes in an amount calculated by the Consultant as being required pursuant to the Special Tax Roll and Reports to satisfy the lien on a Parcel within the Special Service Area, the Village and the Trustee shall execute a Satisfaction of Tax Lien substantially in the form of Exhibit C hereto, appropriately completed and the Trustee shall deliver the Satisfaction of Tax Lien to be filed with the Recorder of Deeds of Lake County, Illinois. The Village shall deliver a copy of each such Satisfaction of Tax Lien to the property owner of record.

## **ARTICLE VII FUNDS AND ACCOUNTS**

### **Section 7.1 Bond and Interest Fund.**

(a) There is hereby created and established with the Trustee a separate and special fund of the Village established exclusively for paying principal of, interest on and redemption premium on the Series 2015 Bonds and which shall be designated as “The Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015 (Deercrest/Clublands Project), Bond and Interest Fund” (the “**Bond and Interest Fund**”). Within the Bond and Interest Fund there are hereby established two subaccounts – the Senior Lien Principal and Interest Account and the Junior Lien Principal and Interest Account. When collected, the Special Taxes, including amounts transferred to the Trustee from the Bond and Interest Fund created for the Prior Bonds, and the Foreclosure Proceeds, including any interest and penalties collected in connection with such Special Taxes or Foreclosure Proceeds, shall be placed in the Bond and Interest Fund. The Village may provide for the County to transmit directly to the Trustee for deposit to the Bond and Interest Fund any Special Taxes collected by the County. Moneys deposited in the Bond and Interest Fund and investments of the Bond and Interest Fund shall never be commingled with or loaned to any other funds of the Village. All interest and other investment earnings on the Bond and Interest Fund shall become, when received, a part of the Bond and Interest Fund. Amounts on deposit in the Bond and Interest Fund shall be transferred and applied as described in this Section 7.1 and shall be used solely for the purposes described in this Article VII.

(b) Amounts deposited in the Senior Lien Principal and Interest Account of the Bond and Interest Fund are appropriated for and irrevocably pledged to, and shall be used solely for the purpose of, paying the principal of and interest and redemption premium on the Senior Lien Bonds. Amounts deposited in the Junior Lien Principal and Interest Account of the Bond and Interest Fund are appropriated for and irrevocably pledged to,

and shall be used solely for the purpose of, paying the principal of and interest and redemption premium on the Junior Lien Bonds.

(c) At any time on or before September 1 of each year, the Trustee shall determine the amount needed in order to pay one-half of the budgeted Administrative Expenses for such year and transfer such amount to the Administrative Expense Fund and after such payment to the Administrative Expense Fund, then to pay interest on the Series 2015 Bonds on the next succeeding Interest Payment Date. On or before each such September 1, the Trustee shall first transfer to the Senior Lien Principal and Interest Account the amount needed to pay interest due on the Senior Lien Bonds on such September 1. After making such deposits, the Trustee shall then transfer to the Junior Lien Principal and Interest Account the amount needed to pay interest due on the Junior Lien Bonds on September 1.

(d) At any time after September 1 but in no event later than December 1 of each year, the Trustee shall determine the amount needed in order to pay the remainder of the budgeted Administrative Expenses for such year (not exceeding \$\_\_\_\_\_ annually, unless additional excess funds are required for the costs of commencing foreclosure and pursuing collection of delinquent Special Taxes and the reasonable fees of legal counsel of the Village incurred in connection with the foregoing) and transfer such amount to the Administrative Expenses Fund and to pay principal of and interest and redemption premium on the Bonds on the next succeeding Interest Payment Date. The Trustee shall first transfer to the Senior Lien Principal and Interest the amount needed to pay principal of and interest and redemption premium on the Senior Lien Bonds on the next succeeding Interest Payment Date and the amount necessary to fund the Senior Lien Reserve Fund to an amount equal to the Senior Lien Reserve Requirement. After making such deposit, the Trustee shall next transfer to the Junior Lien Principal and Interest Account the amount needed to pay principal of and interest and redemption premium on the Junior Lien Bonds on the next succeeding Interest Payment Date. After the Trustee has determined that sufficient or insufficient amounts are on deposit to pay principal of, interest on and redemption premium due on the Series 2015 Bonds on the next succeeding Interest Payment Date, any excess amounts on deposit in the Bond and Interest Fund shall first be transferred to the Senior Lien Reserve Fund to the extent necessary to fund the Senior Lien Reserve Fund equal to the Senior Lien Reserve Fund Requirement, and second to be transferred to the Junior Lien Reserve Fund to the extent necessary to fund the Junior Lien Reserve Fund to an amount equal to the Junior Lien Reserve Fund Requirement, and thereafter any remaining excess shall be retained in the Bond and Interest Fund and applied to pay principal and interest coming due on the next succeeding Interest Payment Date in the priority described in Section 7.1(c) hereof. In the event there are excess funds, at the written direction of the Village, shall transfer an amount from the Bond and Interest Fund to the Administrative Expense Fund which the Village has determined will be adequate, together with other amounts in the Administrative Expense Fund or reasonably expected to be transferred to or deposited in such Fund, to pay all Administrative Expenses during the succeeding calendar year.

(e) There is hereby created within the Bond and Interest Fund established with the Trustee a separate account designated the “**Special Redemption Account.**” Amounts

deposited in the Special Redemption Account shall be applied to the redemption of Series 2015 Bonds pursuant to Section 4.3 and Section 4.4 of this Indenture. All prepayments of the Special Taxes made in accordance with the Special Tax Roll and Reports and condemnation proceeds received by the Village in connection with a condemnation of Special Services shall be deposited in the Special Redemption Account. Moneys in the Special Redemption Account shall be used exclusively to redeem Series 2015 Bonds pursuant to Section 4.3 or Section 4.4, as applicable, or to pay debt service on the Series 2015 Bonds pursuant to this Section 7.1. In the event of any prepayment of the Special Taxes, prior to giving notice of the redemption of Series 2015 Bonds in accordance with Section 4.5 of this Indenture, as applicable, the Trustee shall transfer from the Senior Lien Reserve Fund and the Junior Lien Reserve Fund to the Special Redemption Account an amount equal to the Reserve Fund Credit upon the direction of the Consultant in accordance with the Special Tax Roll and Reports. When the amount on deposit in the Special Redemption Account equals or exceeds \$1,000, such amount shall be used to redeem Series 2015 Bonds on the next March 1, June 1, September 1 or December 1 in accordance with Section 4.4 or Section 4.3, as applicable. On each such March 1, June 1, September 1 and December 1, the Trustee shall withdraw amounts, if any, from the Special Redemption Account and pay to the owners of the Series 2015 Bonds the amounts needed to redeem the Series 2015 Bonds pursuant to Section 4.4 or Section 4.3. Notwithstanding the foregoing, any amounts contained in the Special Redemption Account which will not be used to redeem Series 2015 Bonds on the next March 1, June 1, September 1 or December 1 in accordance with the immediately preceding sentence and Section 4.4 or Section 4.3, as applicable, shall be used to pay debt service on the Series 2015 Bonds on the next Interest Payment Date. Any amounts contained in the Special Redemption Account on the final maturity date of the Series 2015 Bonds shall be used to pay outstanding debt service on the Series 2015 Bonds.

**Section 7.2 Senior Lien Reserve Fund.** There is hereby created and established with the Trustee a separate and special fund of the Village which shall be designated as “The Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015 (Deercrest/Clublands Project), Senior Lien Reserve Fund” (the “**Senior Lien Reserve Fund**”). The Senior Lien Reserve Fund shall initially be funded in an amount equal to \$\_\_\_\_\_ and thereafter be further funded from Special Taxes deposited into the Senior Lien Reserve Fund pursuant to Section 7.1(d) hereof in an amount up to the Senior Lien Reserve Requirement. Amounts deposited in the Senior Lien Reserve Fund shall be used solely for the purpose of (i) making transfers to the Senior Lien Principal and Interest Account of the Bond and Interest Fund to pay the principal of, including mandatory sinking fund payments, and interest and any premium on, all Senior Lien Bonds when due, in the event that moneys in the Senior Lien Principal and Interest Account of the Bond and Interest Fund are insufficient therefor, (ii) making any transfers to the Senior Lien Principal and Interest Account of the Bond and Interest Fund if the balance in the Senior Lien Reserve Fund exceeds the amount required to redeem all Senior Lien Bonds then outstanding, (iii) making transfers to the Special Redemption Account pursuant to Section 7.1(e) or (iv) if the amount then on deposit in the Senior Lien Reserve Fund is at least equal to the Senior Lien Reserve Requirement, for transfer in accordance with the next paragraph.

On the Business Day prior to each Interest Payment Date, moneys in the Senior Lien Reserve Fund in excess of the Senior Lien Reserve Requirement shall be transferred by the Trustee

from the Senior Lien Reserve Fund to the Senior Lien Principal and Interest Account of the Bond and Interest Fund to be used for the payment of interest on Senior Lien Bonds on the next following Interest Payment Date.

**Section 7.3 Junior Lien Reserve Fund.** There is hereby created and established with the Trustee a separate and special fund of the Village which shall be designated as “The Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015 (Deercrest/Clublands Project), Junior Lien Reserve Fund” (the “**Junior Lien Reserve Fund**”). The Junior Lien Reserve Fund shall initially be funded in an amount equal to \$\_\_\_\_\_ and thereafter be further funded from Special Taxes deposited into the Junior Lien Reserve Fund pursuant to Section 7.1(d) hereof in an amount up to the Junior Lien Reserve Requirement. Amounts deposited in the Junior Lien Reserve Fund shall be used solely for the purpose of (i) making transfers to the Junior Lien Principal and Interest Account of the Bond and Interest Fund to pay the principal of, including mandatory sinking fund payments, and interest and any premium on, all Junior Lien Bonds when due, in the event that moneys in the Junior Lien Principal and Interest Account of the Bond and Interest Fund are insufficient therefor, (ii) making any transfers to the Junior Lien Principal and Interest Account of the Bond and Interest Fund if the balance in the Junior Lien Reserve Fund exceeds the amount required to redeem all Junior Lien Bonds then outstanding, (iii) making transfers to the Special Redemption Account pursuant to Section 7.1(e) or (iv) if the amount then on deposit in the Junior Lien Reserve Fund is at least equal to the Junior Lien Reserve Requirement, for transfer in accordance with the next paragraph.

On the Business Day prior to each Interest Payment Date, moneys in the Junior Lien Reserve Fund in excess of the Junior Lien Reserve Requirement shall be transferred by the Trustee from the Junior Lien Reserve Fund to the Junior Lien Principal and Interest Account of the Bond and Interest Fund to be used for the payment of interest on Junior Lien Bonds on the next following Interest Payment Date.

**Section 7.4 Reserved.**

**Section 7.5 Administrative Expense Fund; Costs of Issuance Account.** There is hereby created and established with the Trustee a separate and special fund of the Village which shall be designated as “The Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015 (Deercrest/Clublands Project), Administrative Expense Fund” (the “**Administrative Expense Fund**”). Amounts in the Administrative Expense Fund shall be withdrawn by the Trustee in accordance with a budget to be provided to the Trustee by the Village for such expenses and paid to the Village or upon its order upon receipt by the Trustee of a written request from an Authorized Officer stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense, and the nature of such Administrative Expense. There is hereby created within the Administrative Expense Fund established with the Trustee a separate account designated the “**Costs of Issuance Account**”. Amounts deposited into the Costs of Issuance Account shall be used solely for the purpose of paying costs incurred in connection with the issuance of the Series 2015 Bonds. Disbursement from the Costs of Issuance Account shall be made by the Trustee upon receipt of a Written Request from the Village in the form of Exhibit D which shall (i) set forth the amount required to be disbursed, the purpose for which the disbursement is to be made, that the disbursement is a proper expenditure from the Costs of Issuance Account, and payment instructions to the Trustee for the amount to be disbursed and

(ii) certify that no portion of the amount then being requested to be disbursed was set forth in any previous request for disbursement.

**Section 7.6 Rebate Fund.** There is hereby created and established with the Trustee a separate and special fund of the Village which shall be designated as “The Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015 (Deercrest/Clublands Project), Rebate Fund” (the “**Rebate Fund**”), into which there shall be deposited as necessary investment earnings in the Bond and Interest Fund, the Senior Lien Reserve Fund and the Junior Lien Reserve Fund to the extent required so as to maintain the tax exempt status of interest on the Series 2015 Bonds. All rebates, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) shall be payable from the Rebate Fund.

**Section 7.7 Investment of Funds.** Moneys on deposit in Funds and Accounts established hereunder may be invested from time to time in Qualified Investments pursuant to written directions from the Village to the Trustee provided that moneys on deposit in the Special Redemption Account shall be invested in Qualified Investments having a maturity of 180 days or less. The Trustee may conclusively rely upon the Village’s written instructions as to both the suitability and legality of the directed investments. Except as otherwise expressly provided herein, earnings or losses on such investments shall be attributed to the Fund or Account for which the investment was made. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment made in accordance with the terms of this Indenture. In the event that the Trustee does not receive written directions from the Village to invest funds held hereunder, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Qualified Investments. The Trustee is hereby authorized to execute purchases and sales of Qualified Investments through the facilities of its own trading or capital markets operations or those of any affiliated entity and may charge its ordinary and customary fees for such trades, including investment maintenance fees. The Trustee shall send statements to the Village on a monthly basis reflecting activity in the account for the preceding month. Although the Village recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Village hereby agrees that confirmations of Qualified Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered.

Notwithstanding anything herein to the contrary, at the written direction of the Village the Trustee shall invest amounts on deposit in the Special Redemption Account of the Bond and Interest Fund such that the yield on the investment does not exceed the yield on the Series 2015 Bonds. Investments on deposit in all funds and accounts established hereunder shall be valued at market value at least quarterly.

**Section 7.8 Trustee Authorized to Establish Additional Funds, Accounts and Subaccounts.** The Trustee is hereby authorized to establish such additional funds, accounts or subaccounts as are necessary or advisable to carry out its duties hereunder. Prior to the issuance of additional Bonds the Village may establish such additional funds and accounts as needed or as advised by counsel in connection with the issuance of such Bonds.

**ARTICLE VIII  
COVENANTS AND AGREEMENTS OF THE VILLAGE**

**Section 8.1 Tax Covenants.**

(a) The Village covenants with the holders of the Series 2015 Bonds and the Prior Bonds from time to time outstanding that it (i) will take all actions which are necessary to be taken (and avoid any actions which it is necessary to avoid being taken) so that interest on the Series 2015 Bonds and the Prior Bonds will not be or become included in gross income for federal income tax purposes under existing law, including without limitation the Code; (ii) will take all actions reasonably within its power to take which are necessary to be taken (and avoid taking any actions which are reasonably within its power to avoid taking and which are necessary to avoid) so that interest on the Series 2015 Bonds, and the Prior Bonds will not be or become included in gross income for federal income tax purposes under the federal income tax laws as in effect from time to time; and (iii) will take no action or permit any action in the investment of the proceeds of the Series 2015 Bonds, amounts in the Bond and Interest Fund or any other funds of the Village which would result in making interest on the Series 2015 Bonds or the Prior Bonds subject to federal income taxes by reason of causing the Series 2015 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, or direct or permit any action inconsistent with the regulations under the Code as promulgated and as amended from time to time and as applicable to the Series 2015 Bonds. The Village President, Village Clerk and Finance Director are authorized and directed to take such action as is necessary in order to carry out the issuance and delivery of the Series 2015 Bonds including, without limitation, to make any representations and certifications they deem proper pertaining to the use of the proceeds of the Series 2015 Bonds and moneys in the Funds and Accounts established hereunder in order to establish that the Series 2015 Bonds shall not constitute arbitrage bonds as so defined.

(b) The Village further covenants as follows with respect to the requirements of Section 148(f) of the Code, relating to the rebate of “excess arbitrage profits” (the “**Rebate Requirement**”) to the United States:

(c) Unless an applicable exception to the Rebate Requirement is available to the Village, the Village will meet the Rebate Requirement.

(i) Relating to applicable exceptions, the Village shall make such elections under the Code as it shall deem reasonable and in the best interests of the Village. If such election may result in a “penalty in lieu of rebate” as provided in the Code, and such penalty is incurred (the “**Penalty**”), then the Village shall pay such Penalty.

(ii) The Village shall cause to be established, at such time and in such manner as it shall deem necessary or appropriate hereunder, the Rebate Fund for the Series 2015 Bonds, and the Village shall further, not less frequently than every five years, cause to be transferred to the Rebate Fund the amount determined to be the accrued liability under the Rebate Requirement or Penalty. The Village shall

cause to be paid to the United States, without further order or direction from the Corporate Authorities, from time to time as required, amounts sufficient to meet the Rebate Requirement or to pay the Penalty.

(iii) Interest earnings in the Bond and Interest Fund, the Senior Lien Reserve Fund and the Junior Lien Reserve Fund are hereby authorized to be transferred, without further order or direction from the Corporate Authorities, from time to time as required, to the Rebate Fund for the purposes herein provided; and proceeds of the Series 2015 Bonds, investment earnings or amounts on deposit in any of the other funds and accounts created hereunder and any other funds of the Village are also hereby authorized to be used to meet the Rebate Requirement or to pay the Penalty, but only if necessary after application of investment earnings as aforesaid and only as appropriated by the Corporate Authorities.

**Section 8.2 Levy and Collection of Taxes.** The Village covenants with the holders of the Series 2015 Bonds from time to time outstanding that:

(a) it will take all actions, if any, which shall be necessary, in order further to provide for the levy, extension, collection and application of the taxes levied by this Indenture and the Bond Ordinance including enforcement of the Special Taxes as described in clause (c) below;

(b) it will not take any action which would adversely affect the levy, extension, collection and application of the taxes levied by this Indenture and the Bond Ordinance, except to abate those taxes to the extent permitted by this Indenture and the Special Tax Roll and Reports;

(c) it will comply with all requirements of the Special Service Area Act, the Bond Ordinance and other applicable present and future laws concerning the levy, extension and collection of the taxes levied by this Indenture and the Bond Ordinance; in each case so that the Village shall be able to pay the principal of and interest on the Series 2015 Bonds as they come due and replenish (i) the Senior Lien Reserve Fund to the Senior Lien Reserve Requirement and (ii) the Junior Lien Reserve Fund to the Junior Lien Reserve Requirement and it will take all actions necessary to assure the timely collection of the Special Taxes, including without limitation, the enforcement of any delinquent Special Taxes by providing the County with such information as is deemed necessary to enable the County to include any property subject to delinquent Special Taxes in the County Collector's annual tax sale and in the event the tax lien is forfeited at such tax sale, by the commencement and maintenance of an action to foreclose the lien of any delinquent Special Taxes all in the manner provided by law; provided, however, that the obligation to institute any foreclosure action against any taxpayer other than a taxpayer owning at least five percent (5%) of the property in the Special Service Areas shall only arise in the event the Village makes the determination that the proceeds from the foreclosure action have a commercially reasonable expectation for exceeding the costs thereof; and

**Section 8.3 Proper Books and Records.** The Village will keep, or cause the Trustee to keep, proper books of record and accounts, separate from all other records and accounts of the

Village, in which complete and correct entries shall be made of all transactions relating to the deposits to and expenditure of amounts disbursed from the Funds and Accounts created hereunder and the Special Taxes. Such books of record and accounts shall at all times during business hours be subject to the inspection of the holders of not less than ten percent (10%) of the principal amount of the Series 2015 Bonds then outstanding, or their representatives authorized in writing. The Village, or the Trustee on behalf of the Village, upon written request will mail to the Underwriter and the Purchaser any information relating to the Series 2015 Bonds, the Special Service Areas or the Special Services, including, but not limited to, the annual audits of the Funds and Accounts established under this Indenture for each and every year.

**Section 8.4 Against Encumbrances.** The Village will not encumber, pledge or place any charge or lien upon any of the Special Taxes or other amounts pledged to the Series 2015 Bonds superior to, on a parity with, or junior to, the pledge and lien created in this Indenture for the benefit of the Series 2015 Bonds, except as permitted by, or specifically set forth in, this Indenture, including the issuance of refunding bonds.

**Section 8.5 Continuing Disclosure Agreement.** The Village agrees to execute and deliver the Continuing Disclosure Agreement. The Village has initially appointed The Bank of New York Mellon Trust Company, N.A. as Dissemination Agent under the Continuing Disclosure Agreement.

## **ARTICLE IX DEFAULTS AND REMEDIES**

**Section 9.1 Events of Default.** “Events of Default” under this Indenture are as follows:

(a) Default shall be made by the Village in the payment of the principal of or premium, if any, on any Bond when and as the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise.

(b) Default shall be made by the Village in the payment of any installment of interest on any Bond when and as such installment of interest shall become due and payable.

(c) The Village shall (1) commence a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, (2) make an assignment for the benefit of its creditors, (3) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (4) be adjudicated a bankrupt or have entered against it any order for relief in respect of any involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law and such order shall continue in effect for a period of 60 days without stay or vacation.

(d) A court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the Village, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the Village under the Federal bankruptcy

laws or any other applicable Federal or state law or statute and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof.

(e) Under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Village or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control.

(f) The Village shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds, the Bond Ordinance or in this Indenture on the part of the Village to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Village by the Trustee (which may give such notice whenever it reasonably determines that such a default exists and shall give such notice at the written request of the holders of not less than 25% in principal amount of the Bonds then outstanding).

**Section 9.2 Remedies.** Upon the occurrence of an Event of Default the Trustee may, and upon the written request of the holders of a majority in principal amount of the outstanding Bonds and upon being indemnified as provided in Section 10.2(i) hereof shall, proceed to protect and enforce its rights and the rights of the holders of the Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effective to protect and enforce the rights aforesaid.

During the continuance of an Event of Default, all moneys received by the Trustee under this Indenture from the Village or from any other source shall be applied by the Trustee in accordance with the terms of Section 9.10 hereof.

Any judgment against the Village shall be enforceable only against the amounts pledged pursuant to this Indenture. There shall not be authorized any deficiency judgment against any assets of, or the general credit of, the Village.

The Bonds shall not be subject to acceleration upon the occurrence of an Event of Default.

**Section 9.3 Notice of Default.** The Trustee shall, within 10 days after the Trustee receives notice or obtains knowledge of the occurrence of an Event of Default, mail to the Village and the Bondholders at the address shown on the registration books of the Village maintained by the Bond Registrar, notice of all Events of Default known to the Trustee unless such Events of Default shall have been cured before the giving of such notice.

**Section 9.4 Termination of Proceedings by Trustee.** In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Village, the Trustee and the Bondholders shall be restored to their former positions and rights

hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

**Section 9.5 Right of Bondholders to Control Proceedings.** Subject to the provisions contained in Section 9.6 herein, the holders of a majority in principal amount of the Bonds then outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder in respect of the Bonds; provided that such direction shall not be otherwise than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby, provided however that in the event of a payment default as to only the Junior Lien Bonds, so long as payment on the Senior Lien Bonds have been made in full under Section 9.10(b)(i)(A-C), a majority of the holders of Bonds that are subject to a payment default, shall have the right to direct remedial proceedings of the Trustee hereunder, without the consent of the holders of the Senior Lien Bond and any requirements in this Article IX which require consent of a certain percentage of the holders of the Bonds shall be read so as to require such percentage of the holders of Bonds which are in payment default.

**Section 9.6 Right of Bondholders to Institute Suit.** No holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or for any other remedy hereunder or on the Bonds unless such holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided, and unless also the holder, or holders, of 25% in principal amount of the outstanding Bonds affected by the Event of Default shall have made written request of the Trustee after the right to exercise such powers, or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its name; and unless, also, there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of the outstanding Bonds.

Nothing in this Section 9.6 contained shall, however, affect or impair the right of any Bondholder, which is absolute and unconditional, to enforce the payment of the principal of and interest on the Bondholder's Bonds out of the applicable subaccount of the Bond and Interest Fund, or the obligation of the Village to pay the same, out of the applicable subaccount of the Bond and Interest Fund, at the time and place in the Bonds expressed.

**Section 9.7 Suits by Trustee.** All rights of action under this Indenture, or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit,

or proceeding, instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Bonds affected by such suit or proceeding, subject to the provisions of this Indenture.

**Section 9.8 Remedies Cumulative.** No remedy herein conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**Section 9.9 Waiver of Default.** No delay or omission of the Trustee or of any Bondholder to exercise any right or power shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article IX to the Trustee and the Bondholders, respectively, may be exercised from time to time, and as often as may be deemed expedient.

**Section 9.10 Application of Moneys After Default.** The Village covenants that if an Event of Default shall happen and shall not have been remedied, the Trustee shall apply moneys, securities and funds on deposit in the Funds and Accounts established pursuant to Article VII, other than (i) amounts held in the Senior Lien Reserve Fund which shall be applied solely at the written direction of a majority of the owners of the Senior Lien Bonds outstanding and (ii) amounts held in the Junior Lien Reserve Fund which shall be applied solely at the written direction of a majority of the owners of the Junior Lien Bonds outstanding, pursuant to any right given or action taken under the provisions of this Section as follows and in the following order:

(a) To the payment of the reasonable and proper charges, expenses and liabilities of the Trustee, the Bond Registrar and any paying agent, including the fees and expenses of outside counsel for the Trustee, the Bond Registrar and any paying agent and the payment of Administrative Expenses owed to the Village or the Consultant.

(b) To the payment of the principal and interest then due on the Bonds as follows:

(i)

(A) first, to the payment to the Persons so entitled of all installments of interest then due and owing on the Senior Lien Bonds, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled to such payment, without any discrimination or preference;

(B) second, to the payment to the Persons so entitled of the unpaid principal of any of the Senior Lien Bonds which shall have become due and owing (other than Senior Lien Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest upon such Senior Lien Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Senior Lien Bonds due on any particular date, together with such interest, then to the payment

first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the Persons entitled to payment without any discrimination or preference;

(C) third, to the payment of the Redemption Price of any Senior Lien Bonds called for redemption pursuant to the provisions of this Indenture;

(D) fourth, to the payment to the Persons so entitled of all installments of interest then due and owing on the Junior Lien Bonds, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled to such payment, without any discrimination or preference;

(E) fifth, to the payment to the Persons so entitled of the unpaid principal of any of the Junior Lien Bonds which shall have become due and owing (other than Junior Lien Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest upon such Junior Lien Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Junior Lien Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the Persons entitled to payment without any discrimination or preference; and

(F) sixth, to the payment of the Redemption Price of any Junior Lien Bonds called for redemption pursuant to the provisions of this Indenture.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this paragraph, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The deposit of such moneys with the paying agent, or otherwise setting aside such moneys, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Village, to any Bondholder or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice

as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Bond on which payment shall be made, and shall not be required to make payment to the holder of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

## **ARTICLE X TRUSTEE**

**Section 10.1 Appointment and Compensation of the Trustee; Indemnification.** The Trustee hereunder is hereby constituted and appointed as the trustee of an express trust hereby created for the Bondholders. The further rights and duties of the Trustee are set forth in this Article X.

The Village shall pay, or arrange to pay, to the Trustee reasonable compensation for its services and shall reimburse the Trustee for all its advances, charges and expenditures, including but not limited to advances to and fees and expenses of accountants, consultants, counsel (including allocable costs of in-house counsel), agents or other experts employed by it in the exercise and performance of its powers and duties as Trustee but solely from amounts on deposit in the Administrative Expense Fund and from and after an event of default, from the Junior Lien Reserve Fund. The obligation to pay such reasonable compensation shall survive the payment in full or defeasance of the Bonds or the removal or resignation of the Trustee but solely from amounts on deposit in the Administrative Expense Fund and from and after an event of default, from the Senior Lien Reserve Fund and the Junior Lien Reserve Fund.

The Village hereby agrees to indemnify and hold harmless the Trustee and its officers, directors, agents and employees from and against any and all costs, claims, liabilities, losses or damages whatsoever (including reasonable costs and fees of counsel, auditors or other experts), asserted or arising out of or in connection with the acceptance or administration of the trusts established pursuant to this Indenture, except costs, claims, liabilities, losses or damages resulting from the negligence or willful misconduct of the Trustee including the reasonable costs and expenses (including the reasonable fees and expenses of its counsel) of defending itself against any such claim or liability in connection with its exercise or performance of any of its duties hereunder and of enforcing this indemnification provision. The indemnifications set forth herein shall survive the termination of this Indenture and/or the resignation or removal of the Trustee.

As security for the performance of the Village under this section, the Trustee shall have a lien prior to any Bond upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of or interest or premiums on Bonds.

**Section 10.2 Performance of Duties.** Prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, the Trustee shall perform such duties and only such duties as are specifically set forth in this Indenture. During the existence of any Event of Default which has not been cured, the Trustee shall exercise the rights, duties and powers vested in it by this Indenture by using such care as a prudent person would exercise or use under the circumstances in the conduct of their own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(a) The duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Indenture.

(c) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(d) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority (or such larger percentage as is otherwise specifically required by the terms hereof) in aggregate principal amount of all the Bonds at the time outstanding.

(e) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the exercise of any of its rights or powers.

(f) At any and all reasonable times, upon first providing 48 hours' notice to the Village, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the books, papers and records of the Village pertaining to the Special Services and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(g) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers granted by this Indenture or otherwise in respect of the premises.

(h) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the withdrawal of any cash or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, reasonably necessary to establish the right of the Village to the withdrawal of any cash or the taking of any other action by the Trustee.

(i) Before taking any action hereunder, the Trustee may require that a satisfactory indemnity bond or other security satisfactory to it be furnished by the party requesting that the Trustee take such action for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the negligence or willful misconduct of the Trustee in connection with any action so taken.

(j) All moneys received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received.

(k) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees and shall not be answerable for the conduct of the same if appointed with due care hereunder.

(l) Any action taken, or omitted to be taken, by the Trustee in good faith pursuant to the Indenture upon the request or authority or consent of any person, who, at the time of making such request or giving such authority or consent, is the holder of any security shall be conclusive and binding upon all future holders of securities and upon security executed and delivered in exchange therefore or in place thereof.

(m) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(n) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder, other than an Event of Default, unless a Responsible Officer of the Trustee shall be specifically notified in writing of such default by the Authority, or by the owners of at least 25% in aggregate principal amount of all Bonds then Outstanding, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the address of the Trustee listed in Section 13.2 hereof, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

**Section 10.3 Instruments Upon Which Trustee May Rely.** Except as otherwise provided in paragraph (b) hereof:

(a) The Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Any notice, request, direction, election, order or demand of the Village mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the Village by its President or its Village Clerk (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Corporate Authorities may be evidenced to the Trustee by a copy thereof certified by the Village Clerk under the Village seal.

(c) The Trustee may consult with reputable counsel (who may but need not be counsel for the Village) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

(d) Whenever in the administration of the trusts under this Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of the Village; and such certificate of the Village shall, in the absence of negligence or bad faith on the part of the Trustee, be full warranty to the Trustee for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof.

(e) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“**Instructions**”) given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Village shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“**Authorized Officers**”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Village whenever a person is to be added or deleted from the listing. If the Village elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Village understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Village shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Village and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Village. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Village agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Village; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

**Section 10.4 Trustee not Responsible for Recitals and Other Matters.** The Trustee shall not be responsible in any manner whatsoever for the correctness of the recitals herein or in the Bonds (except the Trustee's certificate of authentication thereon), all of which are made by the Village solely; and the Trustee shall not be responsible or accountable in any manner whatsoever for or with respect to the validity or execution or sufficiency of this Indenture, or of any indenture supplemental hereto, or of the Bond Ordinance or the Bonds, or the sufficiency of the taxes levied to pay the principal of and interest on the Bonds, or for the security afforded hereby or for the validity of any securities at any time held hereunder, and the Trustee makes no representation with respect thereto. The Trustee shall not be accountable for the use or application by the Village of the proceeds of any Bonds authenticated and delivered hereunder, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Indenture.

**Section 10.5 Trustee May Acquire Bonds.** The Trustee and its officers and directors may acquire and hold, or become the pledgee of, Bonds and may otherwise deal with the Village in the manner and to the same extent and with like effect as though it were not Trustee hereunder.

**Section 10.6 Qualification of Trustee.** There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States or any state thereof, authorized under such laws to exercise corporate trust powers, having a combined capital, surplus and undivided profits of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this paragraph the combined capital, surplus and undivided profits of such corporation shall be deemed to be its combined capital, surplus and undivided profits as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this paragraph, the Trustee shall resign immediately in the manner and with the effect specified in Section 10.7.

**Section 10.7 Resignation or Removal of Trustee and Appointment of Successor.** The Trustee may at any time resign by giving written notice to the Village and the Bondholders by first class mail to the names and addresses shown on the list maintained by the Bond Registrar. Upon receiving such notice of resignation, the Village shall promptly appoint a successor Trustee by an instrument in writing executed by order of the Village. If no successor Trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, or any Bondholder who has been a bona fide holder of a Bond or Series 2015 Bonds for at least six months may, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

(a) In case at any time any of the following shall occur:

(i) The Trustee shall cease to be eligible in accordance with the provisions of Section 10.6 and shall fail to resign after written request therefor by the Village or by any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months, or

(ii) The Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, the Village shall remove the Trustee and appoint a successor Trustee by an instrument in writing executed by order of the Village or any Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor Trustee.

(b) The holders of a majority in aggregate principal amount of all the Series 2015 Bonds at the time outstanding may at any time, upon 30 days' notice, remove the Trustee and appoint a successor Trustee by an instrument or concurrent instruments in writing signed by such Bondholders. Such successor Trustee shall be a corporation authorized under applicable laws to exercise corporate trust powers, may be incorporated under the laws of the United States or of any State within the United States. Such successor Trustee shall satisfy the minimum combined capital, surplus and undivided profits requirement set forth in Section 10.6.

(c) The Village, may at any time, upon 30 days' notice, remove the Trustee and appoint a successor Trustee by an instrument in writing signed by the Village provided that simultaneously with or prior to any such removal a successor Trustee shall be appointed pursuant to the terms hereof.

(d) Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this Section 10.7 shall become effective upon acceptance of appointment by the successor Trustee as provided in Section 10.8.

(e) The Trustee's rights to reimbursement of outstanding fees and expenses shall survive the termination of this Indenture and the resignation or removal of the Trustee.

**Section 10.8 Concerning the Successor Trustee.** Any successor Trustee appointed as provided in Section 10.7 shall execute, acknowledge and deliver to the Village and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder, with like effect as if originally named as Trustee herein; but nevertheless on the written request of the Village or the request of the successor Trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act. Upon request of any such successor Trustee, the Village shall execute any and all instruments in writing more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and duties. Any Trustee ceasing to act shall

nevertheless be entitled to receive the amounts due it as compensation, reimbursement, expenses and indemnity afforded to it by this Article X.

No successor Trustee shall accept appointment as provided in this Section 10.8 unless at the time of such acceptance such successor Trustee shall be eligible under the provisions of Section 10.6.

Upon the acceptance of appointment by a successor Trustee as provided in this Section 10.8, the Village shall mail a copy of such notice to each person whose name appears as an owner of Series 2015 Bonds on the list maintained by the Bond Registrar. If the Village fails to mail such notice within 10 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Village.

Any banking association or corporation into which the Trustee may be merged, converted or with which the Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Trustee shall be transferred, shall succeed to all the Trustee's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**Section 10.9 Monthly Statements.** The Trustee shall provide the Purchaser, the Consultant, and the Village, or their designees, a monthly statement, commencing on January 1, 2016, itemizing all moneys received by it and all payments made by it under this Indenture during the preceding monthly period and annual reports relating to the Funds and Accounts created under this Indenture and such other information relating to the Series 2015 Bonds and the Funds and Accounts maintained by the Trustee under this Indenture as the Purchaser and the Village shall reasonable request.

The Trustee shall also provide to each Beneficial Owner owning at least \$1,000,000 in principal amount of the Series 2015 Bonds upon written request the following:

- (a) copies of the monthly statements described above;
- (b) Copies of all notices or reports given to the Village by the Trustee under this Indenture;
- (c) Notices or reports given by the Village to the Trustee pursuant to this Indenture;
- (d) Any notice required to be given to the Beneficial Owners under this Indenture;
- (e) Copies of all amendments and supplements to this Indenture; and
- (f) The name and telephone number of the officer of the Trustee who will provide information required to be delivered pursuant to this Section 10.9, if different than the name and telephone number set forth in Section 13.2 hereof.

**ARTICLE XI  
SUPPLEMENTAL INDENTURES**

**Section 11.1 Supplemental Indentures Not Requiring Consent of Bondholders.** The Village by the Corporate Authorities, and the Trustee from time to time and at any time, subject to the conditions and restrictions in this Indenture contained, may pass and accept an indenture or indentures supplemental hereto, which indenture or indentures thereafter shall form a part hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture;
- (b) To grant or to confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee;
- (c) To subject to this Indenture additional taxes, revenues, properties or collateral;
- (d) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said laws;
- (e) To add to the covenants and agreements of the Village in this Indenture contained, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Village; and
- (f) To issue refunding bonds subject to the limitations set forth in this Indenture, the Special Tax Reports and the Establishing Ordinances.

Any supplemental indenture authorized by the provisions of this Section 11.1 may be executed by the Village, by the Corporate Authorities, and by the Trustee without the consent of the registered owners of any of the Bonds at the time outstanding, but only upon receipt of an opinion of bond counsel if requested pursuant to the provisions of Section 11.6, notwithstanding any of the provisions of Section 11.2, but the Trustee shall not be obligated to accept any provision of such supplemental indenture to the extent that it affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

**Section 11.2 Supplemental Indentures Requiring Consent of Bondholders.** With the consent (evidenced as provided herein) of the registered owners of not less than a majority in aggregate principal amount of the Bonds, at the time outstanding, but only upon receipt of an opinion of bond counsel if requested pursuant to the provisions of Section 11.6, the Village, by the Corporate Authorities may pass, and the Trustee may accept from time to time and at any time an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this indenture or of any

supplemental indenture; provided that no such modification or amendment shall extend the maturity or reduce the principal of or the interest rate on or otherwise alter or impair the obligation of the Village to pay the principal, interest or redemption premium, if any, at the time and place and at the rate and in the currency provided therein of any Bond without the express consent of the registered owner of such Bond or permit the creation of a preference or priority of any Bond or Bonds over any other Bond or Bonds, or reduce the percentage of Bonds, respectively, required for the affirmative vote or written consent to an amendment or modification, or deprive the registered owners of the Bonds (except as aforesaid) of the right to payment of the Bonds, from the Special Taxes and the Foreclosure Proceeds without the consent of the registered owners of all the Bonds (as the case may be) then outstanding. Upon receipt by the Trustee of a certified copy of such Indenture and upon the filing with the Trustee of evidence of the consent of Bondholders as aforesaid, the Trustee shall accept such supplemental indenture, but the Trustee shall not be obligated to accept any provision of such supplemental indenture to the extent that it affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

It shall not be necessary for the consent of the Bondholders under this paragraph to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the passage by the Village and the acceptance by the Trustee of any supplemental indenture pertaining to the Bonds pursuant to the provisions of this paragraph, the Village shall mail a notice by first class mail to the Bondholders, setting forth in general terms the substance of such supplemental indenture, and that the supplemental indenture has been consented to by the requisite percentage of the Bondholders. Any failure of the Village to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

**Section 11.3 Supplemental Indenture to Modify this Indenture.** Upon the execution of any supplemental indenture pursuant to the provisions of this Article XI, and upon receipt of the opinion of bond counsel if required by the provisions of Section 11.6, this Indenture shall be modified and amended in accordance therewith and the respective rights, duties and obligations under this Indenture of the Village, the Trustee and all registered owners of Bonds, outstanding thereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

**Section 11.4 Trustee May Rely Upon Opinion of Counsel.** The Trustee may receive an opinion of counsel as conclusive evidence that any supplemental indenture executed pursuant to the provisions of this Article XI complies with the requirements of this Article XI, is enforceable against the Village and does not adversely impact the tax-exempt status of the interest on the Bonds.

**Section 11.5 Notation.** Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article XI may bear a notation, in form approved by the Trustee, as to any matter provided for in such supplemental indenture, and if such supplemental indenture shall so provide, new Bonds, so modified as to conform, in the opinion of

the Trustee and the Corporate Authorities, to any modification of this Indenture contained in any such supplemental indenture, may be prepared by the Village, authenticated by the Trustee and delivered without cost to the registered owners of the Bonds then outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts and series.

**Section 11.6 Notice to Owners.** Prior to the adoption of a supplemental indenture executed pursuant to the provisions of this Article XI the Trustee shall give written notice by mail to the registered owners of all Bonds Outstanding at the addresses as set forth in the Register of the Bonds held by the Bond Registrar of the substance of the proposed supplemental indenture.

## **ARTICLE XII DEFEASANCE**

### **Section 12.1 Defeasance.**

(a) If the Village shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders of all Bonds then Outstanding the principal or redemption price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, then the pledge of the Trust Estate, and all covenants, agreements and other obligations of the Village to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Village to be prepared and filed with the Village and, upon the request of the Village, shall execute and deliver to the Village all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Village all moneys or securities held pursuant to this Indenture which are not required for the payment of principal or redemption price, if applicable, of and interest on the Bonds. If the Village shall pay or cause to be paid, or there shall otherwise be paid, to the Bondholders of any Outstanding Bonds the principal or redemption price and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Village to the Bondholders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the Village of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 12.1. In addition, any Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 12.1 upon compliance with the provisions of subsection (c) of this Section 12.1.

(c) Subject to the provisions of subsection (d) of this Section 12.1, any Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to

have been paid within the meaning and with the effect expressed in subsection (a) of this Section 12.1 if:

(i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Village shall have given to the Trustee irrevocable instructions accepted in writing by the Trustee to give as provided in Section 4.5 notice of redemption of such Bonds on said date;

(ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient or Defeasance Securities, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be; and

(iii) in the event said Bonds do not mature, are not by their terms subject to redemption or, under the plan of refunding applicable thereto, are not to be redeemed, in each case, within the next succeeding ninety (90) days, the Village shall have given the Trustee in form satisfactory to it (A) irrevocable instructions to give, as soon as practicable, by first-class mail, postage prepaid, to the owners of such Bonds at their last addresses appearing on the books of the Village kept at the office of the Bond Registrar a notice that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 12.1 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds and (B) a verification report by a verifier acceptable to the Village in form and substance satisfactory to Village that verifies the sufficiency of the funds and/or securities deposited with the Trustee for the payment, when due, of the principal or redemption price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be.

(d) Anything in this Indenture to the contrary notwithstanding, any moneys held in trust for the payment and discharge of any of the Bonds which remain unclaimed for one year after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption shall be repaid to the Village, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged, with respect thereto and the Bondholders shall look only to the Village for the payment of such Bonds; provided, however, that before being required to make any such payment to the Village, the Trustee shall, at the expense of the Village, give to the owners of such Bonds as to which any moneys remain unclaimed, by first class mail, postage prepaid, at the last address of such owners appearing on the books of the Village kept at the office of the Bond Registrar a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the mailing of such notice, the balance of such moneys then unclaimed will be returned to the Village.

(e) Upon the payment or defeasance of all outstanding Bonds including any refunding or Additional Bonds secured by the Special Taxes, as provided in this Article XII, the Trustee and the Village shall execute a Satisfaction of Tax Lien substantially in the form of Exhibit C hereto for all Parcels for which a satisfaction of tax lien has not previously been delivered and the Village shall file or cause to be filed such Satisfaction of Tax Lien with the Recorder of Deeds of Lake County, Illinois.

### **ARTICLE XIII MISCELLANEOUS**

**Section 13.1 Severability.** If any provision of this Indenture shall be held or deemed to be illegal, inoperative or unenforceable under applicable law or interpreted in such manner as to be prohibited by or be held invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Indenture.

**Section 13.2 Notices.** Except as otherwise provided in this Indenture, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when personally delivered or mailed by certified mail, postage prepaid, or when sent by telecopy (receipt confirmed by telephone) or email, addressed as follows:

If to the Village:

Village of Antioch  
874 Main Street  
Antioch, Illinois 60002  
Attention: Village President  
Telephone: 847-395-0142  
Telecopier: 847-395-1920

If to the Trustee:

The Bank of New York Mellon Trust Company, N.A.  
2 North LaSalle Street, 7<sup>th</sup> Floor  
Chicago, Illinois 60602  
Attention: Emily Gigerich, Vice President  
Telephone: 312-827-8532  
Telecopier: \_\_\_\_\_  
E-Mail: [emilyelizabeth.gigerich@bnymellon.com](mailto:emilyelizabeth.gigerich@bnymellon.com)

If to the Underwriter (Series 2015A Bonds and Series 2015B Bonds):

William Blair & Company, L.L.C.  
222 West Adams Street  
Chicago, Illinois 60606  
Attention: Peter J. Raphael  
Telephone: 312-364-8386  
Telecopier: 312-236-0174  
E-Mail: [praphael@williamblair.com](mailto:praphael@williamblair.com)

**Section 13.3 Holidays.** If any date for the payment of an amount hereunder or the taking of any other action required or permitted to be taken hereunder, is not a Business Day, then such payment shall be due, or such action shall or may be taken, as the case may be, on the first Business Day thereafter with the same force and effect as if done on the nominal date provided in this Indenture.

**Section 13.4 Execution of Counterparts.** This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 13.5 Applicable Law.** This Indenture shall be governed by and construed in accordance with the internal laws of the State of Illinois.

**Section 13.6 Immunity of Officers, Employees, Elected Officials of Village.** No recourse shall be had for the payment of the principal of or premium, if any, or interest on any of the Series 2015 Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture or any agreement supplemental hereto, against any past, present or future president, trustee or other officer, director, member, employee, attorney or agent of the Village, or any incorporator, officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Village or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of any of the Bonds.

**IN WITNESS WHEREOF**, the Village of Antioch, Lake County, Illinois has caused these presents to be signed in its name and on its behalf by its President and its corporate seal to be hereunto affixed and attested by its Village Clerk and to evidence its acceptance of the trusts hereby created The Bank of New York Mellon Trust Company, N.A. has caused these presents to be signed in its name and on its behalf by its Authorized Officer, its official seal to be hereunto affixed and the same to be attested by its Authorized Officer, all as of the day and year first above written.

**VILLAGE OF ANTIOCH,**  
Lake County, Illinois

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

[SEAL]

Attest:

By: \_\_\_\_\_  
Village Clerk

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

By: \_\_\_\_\_  
Authorized Officer

[SEAL]

Attest:

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A-1**

VILLAGE OF ANTIOCH, LAKE COUNTY, ILLINOIS  
SPECIAL SERVICE AREA NUMBER ONE

Legal Description of Property

**PINS:**

**EXHIBIT A-2**

**VILLAGE OF ANTIOCH, LAKE COUNTY, ILLINOIS  
SPECIAL SERVICE AREA NUMBER TWO**

Legal Description of Property

**PINS:**

**EXHIBIT B-1**

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF LAKE

VILLAGE OF ANTIOCH  
LAKE COUNTY, ILLINOIS  
SENIOR LIEN SPECIAL SERVICE AREAS  
NUMBER ONE AND TWO  
SPECIAL TAX REFUNDING BONDS, SERIES 2015A  
(DEERCREST/CLUBLANDS PROJECT)

Bond No. \_\_\_\_\_ Principal Amount: \$ \_\_\_\_\_

Date of Bond: December \_\_, 2015 Interest Rate: \_\_\_\_\_ %

CUSIP: \_\_\_\_\_ Date of Maturity: \_\_\_\_\_

Registered Owner: Cede & Co.

The Village of Antioch, Lake County, Illinois (the "**Village**"), for value received, promises to pay to the Registered Owner specified above or registered assigns, upon presentation and surrender of this bond at the office of The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, as Trustee (the "**Trustee**") the Principal Amount of this bond specified above on the Date of Maturity specified above and to pay the Registered Owner of this bond interest on that sum at the Interest Rate per year specified above from the Date of Bond specified above to the Date of Maturity specified above, payable semiannually on March 1 and September 1, with the first interest payment date being March 1, 2016. Interest shall be computed on the basis of a 360-day year of twelve 30-days months. Interest on this bond shall be payable on each interest payment date by check or draft of the Trustee mailed to the person in whose name this bond is registered at the close of business on the 15th day of the month preceding such interest payment date. During such time as this bond is registered so as to participate in a securities depository system with The Depository Trust Company ("**DTC**"), principal of and interest on this Bond shall be payable by wire transfer pursuant to instructions from DTC. The principal of, interest on and redemption premium on this bond are payable in lawful money of the United States of America. No interest shall accrue on this bond after its Date of Maturity unless this bond shall have been presented for payment at maturity and shall not then have been paid.

This bond is one of an authorized issue of Series 2015A Bonds in the aggregate principal amount of \$ \_\_\_\_\_. This bond and the issue of which it is a part (together, the "**Series 2015A Bonds**") are issued pursuant to the provisions of the "Special Service Area Tax Law," 35 ILCS §200/27-5 et seq., as amended, and the provisions of the Local Government Debt Reform Act, 30 ILCS §350/1 et seq., as amended, and the principal of and interest on the Series 2015A Bonds are payable from special taxes (the "**Special Taxes**") levied on all taxable real property within the

Village of Antioch, Lake County, Illinois Special Service Area Number One and Village of Antioch, Lake County, Illinois Special Service Area Number Two (collectively, the “**Special Service Areas**”) pursuant to special tax rolls. Simultaneously with the issuance of the Series 2015A Bonds, the Village is issuing \$\_\_\_\_\_ Junior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015B (Deercrest/Clublands Project) which are secured by the Special Taxes subordinate to the payment of the Series 2015A Bonds as further described in the Indenture (as hereinafter defined).

The Series 2015A Bonds are being issued for the purpose, among others, of refunding the Prior Bonds, all as more fully described in an ordinance adopted by the President and Board of Trustees of the Village on November 16, 2015 (the “**Bond Ordinance**”) and a Trust Indenture dated as of December 1, 2015 between the Village and the Trustee (the “**Indenture**”), to all the provisions of which the holder by the acceptance of this bond assents. Terms not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture. The Series 2015A Bonds, together with the interest thereon, are limited obligations of the Village, payable solely from the collection of the Special Taxes and other moneys deposited in certain Funds and Accounts established pursuant to the Indenture. For the prompt payment of the principal of and interest on this bond the Special Taxes are hereby irrevocably pledged. THE SERIES 2015A BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE VILLAGE AND NEITHER THE FULL FAITH AND CREDIT NOR THE UNLIMITED TAXING POWER OF THE VILLAGE SHALL BE PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2015A BONDS.

The Series 2015A Bonds maturing \_\_\_\_\_, 20\_\_ are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
20__	\$
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__ (maturity)	

The Series 2015A Bonds maturing on \_\_\_\_\_, 20\_\_ are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
20__	\$
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__ (maturity)	

The Village covenants that it will redeem the Series 2015A Bonds pursuant to the mandatory sinking fund redemption requirements for the Series 2015A Bonds to the extent amounts are on deposit in the Bond and Interest Fund.

The foregoing mandatory sinking fund redemptions are subject to adjustment as described in Sections 4.2, 4.3 and 4.4 of the Indenture. The Village covenants that it will redeem the Series 2015A Bonds pursuant to the mandatory sinking fund redemption requirements for the Series 2015A Bonds.

The Series 2015A Bonds maturing on or after March 1, 2026 are subject to optional redemption prior to maturity at the option of the Village, in whole or in part, on any date on or after March 1, 2025, at a redemption price of par; plus accrued and unpaid interest to the date of redemption.

Any optional redemption of Series 2015A Bonds shall be applied, to the extent possible, to reduce pro rata the amount required to be paid at maturity and to be redeemed by mandatory sinking fund redemption pursuant to the Indenture, and so as to maintain the proportion of principal maturing in each year and subject to mandatory sinking fund redemption to the total original principal amount of Series 2015A Bonds.

The Series 2015A Bonds are subject to mandatory redemption on any date, in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from amounts in the Special Redemption Account consisting of the proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property owned by or dedicated to the Village within the Special Service Area and allocable to the Series 2015A Bonds as determined by the Consultant and which proceeds are not used by the Village to rebuild the Special Services.

The Bonds are subject to mandatory redemption on any Interest Payment Date, in whole or in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, in the event of a mandatory prepayment of the Special Taxes upon a reduction in the Maximum Parcel Special Tax as a result of a change in the number of single family lots or townhome lots to be built within such Special

Service Area as set forth in the final plat or plots of subdivision approved by the Village or any other event that reduces the total of the Maximum Parcel Special Tax as described in, and in the amounts set forth in, Section H of each Rate and Method, as amended.

Any mandatory redemption of the Series 2015A Bonds in part from proceeds from condemnation, Improvement Fund transfers or prepayments of the Special Taxes shall be applied to the extent possible, to reduce pro rata the amount of Series 2015A Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption pursuant to the Indenture, and so as to maintain the proportion of principal maturing in each year and subject to mandatory sinking fund redemption to the total original principal amount of Series 2015A Bonds.

The Series 2015A Bonds are also subject to mandatory redemption on any March 1, June 1, September 1 or December 1, in part, from amounts available for disbursement from the Special Redemption Account and from amounts transferred from the Senior Lien Reserve Fund to the Special Redemption Account in connection with optional prepayments of the Special Taxes, at a redemption price (expressed as a percentage of the principal amount of the Series 2015A Bonds to be redeemed), as set forth below, together with accrued interest on such Series 2015A Bonds to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
On or prior to February 28, 2024	102%
March 1, 2024 through February 28, 2025	101
March 1, 2025 and thereafter	100

Any mandatory redemption of the Series 2015A Bonds in part from optional prepayments of Special Taxes shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015A Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption pursuant to the Indenture, and so as to maintain the proportion of principal maturing in each year and subject to mandatory sinking fund redemption to the total original principal amount of Series 2015A Bonds.

If less than all the Series 2015A Bonds of any maturity are to be redeemed on any redemption date, the Bond Registrar named below will assign to each Bond of the maturity to be redeemed a distinctive number for each \$1,000 of principal amount of that Bond. The Bond Registrar will then select randomly from the numbers so assigned, using such method as it shall deem proper in its discretion, as many numbers as, at \$1,000 per number, shall equal the principal amount of Series 2015A Bonds of that maturity to be redeemed; provided that following any redemption, no Series 2015A Bonds shall be outstanding in an amount less than the minimum Authorized Denomination except as necessary to effect the mandatory sinking fund redemption of Series 2015A Bonds as provided in the Indenture.

Notice of the redemption of any Series 2015A Bonds, which by their terms shall have become subject to redemption, will be given to the registered owner of each Bond called for redemption in whole or in part not less than 20 or more than 60 days before any date established for redemption of Series 2015A Bonds, by the Bond Registrar, on behalf of the Village, by registered or certified mail sent to the registered owner's last address, if any, appearing on the registration books kept by the Bond Registrar. All notices of redemption shall include at least the designation, date and maturities of Series 2015A Bonds called for redemption, CUSIP Numbers, if available, and the date of redemption. In the case of a Series 2015A Bond to be redeemed in part only, the notice will also specify the portion of the principal amount of the Bond to be redeemed. The mailing of the notice specified above to the registered owner of any Series 2015A Bond will be a condition precedent to the redemption of that Series 2015A Bond, provided that any notice which is mailed in accordance with the Indenture will be conclusively presumed to have been duly given whether or not the owner received that notice. The failure to mail notice to the owner of any Series 2015A Bond, or any defect in that notice, shall not affect the validity of the redemption of any other Series 2015A Bonds.

This bond is negotiable, subject to the following provisions for registration and registration of transfer. The Village maintains books for the registration and registration of transfer of Series 2015A Bonds at the office of the Trustee, as Bond Registrar. This bond is fully registered on those books in the name of its owner, as to both principal and interest, and transfer of this bond may be registered on those books upon surrender of this bond to the Bond Registrar by the registered owner or his or her attorney duly authorized in writing together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney. Upon surrender of this bond for registration of transfer, a new bond or bonds in the same aggregate principal amount and of the same maturity will be issued to the transferee as provided in the Indenture.

This bond may be exchanged, at the option of the Registered Owner, for an equal aggregate principal amount of bonds of the same maturity of any other Authorized Denominations, upon surrender of this bond at the office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his or her duly authorized attorney.

For every exchange or registration of transfer of this bond, the Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the Village, required to be paid with respect to that exchange or registration of transfer, and payment of that charge by the person requesting exchange or registration of transfer shall be a condition precedent to that exchange or registration of transfer. No other charge may be made by the Village or the Bond Registrar as a condition precedent to exchange or registration of transfer of this bond.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond following the close of business on the 15th day of the month preceding any interest payment date on such Bond, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of 15 days next preceding mailing of a notice of redemption of any Series 2015A Bonds.

The Village, the Trustee and the Bond Registrar may deem and treat the registered owner of this bond as its absolute owner, whether or not this bond is overdue, for the purpose of receiving payment of the principal of or interest on this bond and for all other purposes, and neither the Village, the Bond Registrar nor the Trustee shall be affected by any notice to the contrary. Payment of the principal of and interest on this bond shall be made only to its registered owner, and all such payments shall be valid and effective to satisfy the obligation of the Village on this bond to the extent of the amount paid.

All conditions which by law must have existed or must have been fulfilled in the issuance of this bond existed and were fulfilled in compliance with law. Provision has been made for the levy, collection and segregation of the Special Taxes sufficient to pay and discharge the principal of this bond at maturity and to pay interest on this bond as it falls due. The issuance of the Series 2015A Bonds by the Village will not cause the Village to exceed or violate any applicable limitation or condition respecting the issuance of bonds imposed by the law of the State of Illinois or by any indenture, ordinance or resolution of the Village. The Series 2015A Bonds are issued for purposes for which the Village is authorized by law to issue bonds including but not limited to the refunding of the Prior Bonds, making deposits to a reserve fund and paying costs of the Village in connection with the issuance of the Series 2015A Bonds.

This bond shall not be valid for any purpose unless and until the certificate of authentication on this bond shall have been duly executed by the Trustee.

**IN WITNESS WHEREOF**, the Village of Antioch, Lake County, Illinois, by its President and Board of Trustees, has caused this bond to be executed by the manual or facsimile signature of its President and attested by the manual or facsimile signature of its Village Clerk and has caused its corporate seal to be affixed to this bond (or a facsimile of its seal to be printed on this bond), all as of the Date of Bond specified above.

**VILLAGE OF ANTIOCH,**  
Lake County, Illinois

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

(SEAL)

**ATTEST:**

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

Date of Authentication:

December \_\_, 2015

This bond is one of the bonds described in the Indenture authorizing the issuance of \$\_\_\_\_\_ Village of Antioch, Lake County, Illinois Senior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015A (Deercrest/Clublands Project).

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

By: \_\_\_\_\_  
Authorized Signatory

For Value Received, the undersigned sells, assigns and transfers to \_\_\_\_\_ this bond and all rights and title under this bond, and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer this bond on the books kept for registration of this bond.

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

**EXHIBIT B-2**

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF LAKE

VILLAGE OF ANTIOCH  
LAKE COUNTY, ILLINOIS  
JUNIOR LIEN SPECIAL SERVICE AREAS  
NUMBER ONE AND TWO  
SPECIAL TAX REFUNDING BONDS, SERIES 2015B  
(DEERCREST/CLUBLANDS PROJECT)

Bond No. \_\_\_\_\_ Principal Amount: \$ \_\_\_\_\_

Date of Bond: December \_\_, 2015 Interest Rate: \_\_\_\_\_ %

CUSIP: \_\_\_\_\_ Date of Maturity: \_\_\_\_\_

Registered Owner: Cede & Co.

The Village of Antioch, Lake County, Illinois (the "**Village**"), for value received, promises to pay to the Registered Owner specified above or registered assigns, upon presentation and surrender of this bond at the office of The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, as Trustee (the "**Trustee**") the Principal Amount of this bond specified above on the Date of Maturity specified above and to pay the Registered Owner of this bond interest on that sum at the Interest Rate per year specified above from the Date of Bond specified above to the Date of Maturity specified above, payable semiannually on March 1 and September 1, with the first interest payment date being March 1, 2016. Interest shall be computed on the basis of a 360-day year of twelve 30-days months. Interest on this bond shall be payable on each interest payment date by check or draft of the Trustee mailed to the person in whose name this bond is registered at the close of business on the 15th day of the month preceding such interest payment date. During such time as this bond is registered so as to participate in a securities depository system with The Depository Trust Company ("**DTC**"), principal of and interest on this Bond shall be payable by wire transfer pursuant to instructions from DTC. The principal of, interest on and redemption premium on this bond are payable in lawful money of the United States of America. No interest shall accrue on this bond after its Date of Maturity unless this bond shall have been presented for payment at maturity and shall not then have been paid.

This bond is one of an authorized issue of Series 2015B Bonds in the aggregate principal amount of \$\_\_\_\_\_. This bond and the issue of which it is a part (together, the "**Series 2015B Bonds**") are issued pursuant to the provisions of the "Special Service Area Tax Law," 35 ILCS §200/27-5 et seq., as amended, and the provisions of the Local Government Debt Reform Act, 30 ILCS §350/1 et seq., as amended, and the principal of and interest on the Series 2015B Bonds are payable from special taxes (the "**Special Taxes**") levied on all taxable real property within the Village of Antioch, Lake County, Illinois Special Service Area Number One and Village of



<u>Year</u>	<u>Amount</u>
20__	
20__ (maturity)	

The Village covenants that it will redeem the Series 2015B Bonds pursuant to the mandatory sinking fund redemption requirements for the Series 2015B Bonds to the extent amounts are on deposit in the Bond and Interest Fund.

The foregoing mandatory sinking fund redemptions are subject to adjustment as described in Sections 4.2, 4.3 and 4.4 of the Indenture. The Village covenants that it will redeem the Series 2015B Bonds pursuant to the mandatory sinking fund redemption requirements for the Series 2015B Bonds.

The Series 2015B Bonds maturing on or after March 1, 2026 are subject to optional redemption prior to maturity at the option of the Village, in whole or in part, on any date on or after March 1, 2025, at a redemption price of par; plus accrued and unpaid interest to the date of redemption.

Any optional redemption of Series 2015B Bonds shall be applied, to the extent possible, to reduce pro rata the amount required to be paid at maturity and to be redeemed by mandatory sinking fund redemption pursuant to the Indenture, and so as to maintain the proportion of principal maturing in each year and subject to mandatory sinking fund redemption to the total original principal amount of Series 2015B Bonds.

The Series 2015B Bonds are subject to mandatory redemption on any date, in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from amounts in the Special Redemption Account consisting of the proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property owned by or dedicated to the Village within the Special Service Area and allocable to the Series 2015B Bonds as determined by the Consultant and which proceeds are not used by the Village to rebuild the Special Services or from certain funds transferred from the Improvement Fund.

The Bonds are subject to mandatory redemption on any Interest Payment Date, in whole or in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, in the event of a mandatory prepayment of the Special Taxes upon a reduction in the Maximum Parcel Special Tax as a result of a change in the number of single family lots or townhome lots to be built within such Special Service Area as set forth in the final plat or plots of subdivision approved by the Village or any other event that reduces the total of the Maximum Parcel Special Tax as described in, and in the amounts set forth in, Section H of each Rate and Method, as amended.

Any mandatory redemption of the Series 2015B Bonds in part from proceeds from condemnation, Improvement Fund transfers or prepayments of the Special Taxes shall be applied to the extent possible, to reduce pro rata the amount of Series 2015B Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption pursuant to the Indenture, and so as to maintain the proportion of principal maturing in each year and subject to mandatory sinking fund redemption to the total original principal amount of Series 2015B Bonds.

The Series 2015B Bonds are also subject to mandatory redemption on any March 1, June 1, September 1 or December 1, in part, from amounts available for disbursement from the Special Redemption Account and from amounts transferred from the Junior Lien Reserve Fund to the Special Redemption Account in connection with optional prepayments of the Special Taxes, at a redemption price (expressed as a percentage of the principal amount of the Series 2015B Bonds to be redeemed), as set forth below, together with accrued interest on such Series 2015B Bonds to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
On or prior to February 28, 2024	102%
March 1, 2024 through February 28, 2025	101
March 1, 2025 and thereafter	100

Any mandatory redemption of the Series 2015B Bonds in part from optional prepayments of Special Taxes shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015B Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption pursuant to the Indenture, and so as to maintain the proportion of principal maturing in each year and subject to mandatory sinking fund redemption to the total original principal amount of Series 2015B Bonds.

If less than all the Series 2015B Bonds of any maturity are to be redeemed on any redemption date, the Bond Registrar named below will assign to each Bond of the maturity to be redeemed a distinctive number for each \$1,000 of principal amount of that Bond. The Bond Registrar will then select randomly from the numbers so assigned, using such method as it shall deem proper in its discretion, as many numbers as, at \$1,000 per number, shall equal the principal amount of Series 2015B Bonds of that maturity to be redeemed; provided that following any redemption, no Series 2015B Bonds shall be outstanding in an amount less than the minimum Authorized Denomination except as necessary to effect the mandatory sinking fund redemption of Series 2015B Bonds as provided in the Indenture.

Notice of the redemption of any Series 2015B Bonds, which by their terms shall have become subject to redemption, will be given to the registered owner of each Bond called for redemption in whole or in part not less than 20 or more than 60 days before any date established for redemption of Series 2015B Bonds, by the Bond Registrar, on behalf of the Village, by registered or certified mail sent to the registered owner's last address, if any, appearing on the registration books kept by the Bond Registrar. All notices of redemption shall include at least the designation, date and maturities of Series 2015B Bonds called for redemption, CUSIP Numbers, if available, and the date of redemption. In the case of a Series 2015B Bond to be redeemed in part only, the notice will also specify the portion of the principal amount of the Bond to be redeemed. The mailing of the notice specified above to the registered owner of any Series 2015B Bond will be a condition precedent to the redemption of that Series 2015B Bond, provided that any notice which is mailed in accordance with the Indenture will be conclusively presumed to have been duly given whether or not the owner received that notice. The failure to mail notice to the

owner of any Series 2015B Bond, or any defect in that notice, shall not affect the validity of the redemption of any other Series 2015B Bonds.

This bond is negotiable, subject to the following provisions for registration and registration of transfer. The Village maintains books for the registration and registration of transfer of Series 2015B Bonds at the office of the Trustee, as Bond Registrar. This bond is fully registered on those books in the name of its owner, as to both principal and interest, and transfer of this bond may be registered on those books upon surrender of this bond to the Bond Registrar by the registered owner or his or her attorney duly authorized in writing together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his or her duly authorized attorney. Upon surrender of this bond for registration of transfer, a new bond or bonds in the same aggregate principal amount and of the same maturity will be issued to the transferee as provided in the Indenture.

This bond may be exchanged, at the option of the Registered Owner, for an equal aggregate principal amount of bonds of the same maturity of any other Authorized Denominations, upon surrender of this bond at the office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or his or her duly authorized attorney.

For every exchange or registration of transfer of this bond, the Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge, other than one imposed by the Village, required to be paid with respect to that exchange or registration of transfer, and payment of that charge by the person requesting exchange or registration of transfer shall be a condition precedent to that exchange or registration of transfer. No other charge may be made by the Village or the Bond Registrar as a condition precedent to exchange or registration of transfer of this bond.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond following the close of business on the 15th day of the month preceding any interest payment date on such Bond, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of 15 days next preceding mailing of a notice of redemption of any Series 2015B Bonds.

The Village, the Trustee and the Bond Registrar may deem and treat the registered owner of this bond as its absolute owner, whether or not this bond is overdue, for the purpose of receiving payment of the principal of or interest on this bond and for all other purposes, and neither the Village, the Bond Registrar nor the Trustee shall be affected by any notice to the contrary. Payment of the principal of and interest on this bond shall be made only to its registered owner, and all such payments shall be valid and effective to satisfy the obligation of the Village on this bond to the extent of the amount paid.

All conditions which by law must have existed or must have been fulfilled in the issuance of this bond existed and were fulfilled in compliance with law. Provision has been made for the levy, collection and segregation of the Special Taxes sufficient to pay and discharge the principal of this bond at maturity and to pay interest on this bond as it falls due. The issuance of the Series 2015B Bonds by the Village will not cause the Village to exceed or violate any applicable limitation or condition respecting the issuance of bonds imposed by the law of the State of Illinois

or by any indenture, ordinance or resolution of the Village. The Series 2015B Bonds are issued for purposes for which the Village is authorized by law to issue bonds including but not limited to the refunding of the Prior Bonds, making deposits to a reserve fund and paying costs of the Village in connection with the issuance of the Series 2015B Bonds.

This bond shall not be valid for any purpose unless and until the certificate of authentication on this bond shall have been duly executed by the Trustee.

**IN WITNESS WHEREOF**, the Village of Antioch, Lake County, Illinois, by its President and Board of Trustees, has caused this bond to be executed by the manual or facsimile signature of its President and attested by the manual or facsimile signature of its Village Clerk and has caused its corporate seal to be affixed to this bond (or a facsimile of its seal to be printed on this bond), all as of the Date of Bond specified above.

**VILLAGE OF ANTIOCH,**  
Lake County, Illinois

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

(SEAL)

**ATTEST:**

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

Date of Authentication:

December \_\_, 2015

This bond is one of the bonds described in the Indenture authorizing the issuance of \$\_\_\_\_\_ Village of Antioch, Lake County, Illinois Junior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015B (Deercrest/Clublands Project).

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

By: \_\_\_\_\_  
Authorized Signatory

For Value Received, the undersigned sells, assigns and transfers to \_\_\_\_\_ this bond and all rights and title under this bond, and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer this bond on the books kept for registration of this bond.

Dated:

\_\_\_\_\_

**EXHIBIT C**

This Document was prepared by and after recording return to: [Insert name and address of Trustee]

(The Above Space For Recorder’s Use Only)

**SATISFACTION OF TAX LIEN**

The undersigned duly elected and acting President of the Village of Antioch, Lake County, Illinois (the “**Village**”), in consideration of the receipt of the sum of \$\_\_\_\_\_, hereby acknowledges and certifies that special taxes levied and to be extended in accordance with the Special Tax Roll approved by the President and Board of Trustees of the Village pursuant to Ordinance No. \_\_\_\_\_ adopted on \_\_\_\_\_, 20\_\_ (the “**Establishing Ordinance**”) recorded as Document Number \_\_\_\_\_ on \_\_\_\_\_, are paid and the lien of such taxes satisfied with respect to the following lot(s) in the Village’s Special Service Area Number \_\_\_\_\_ (the “**SSA**”):

PIN                      Property Owner                      Address                      Subdivision

The undersigned further certifies that pursuant to Exhibit B of the Special Tax Roll and Report attached to and incorporated in each Establishing Ordinance as **Exhibit E** (the “**Special Tax Roll and Reports**”), upon payment of the prepayment amount as calculated pursuant to the Special Tax Roll and Report, the Special Taxes which were prepaid shall not be levied on the Parcel for which the prepayment was made. Pursuant to Section VI.E. of the Special Tax Roll and Report, the Village shall amend the Special Tax Roll each calendar year to reflect the Maximum Parcel Special Tax.

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

**VILLAGE OF ANTIOCH**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved by:

**DAVID TAUSSIG & ASSOCIATES, INC.**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

The Trustee hereby acknowledges receipt of the sum of \$ \_\_\_\_\_

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

I, \_\_\_\_\_, a Notary Public in and for such County and State aforesaid, do hereby certify that \_\_\_\_\_, personally known to me to be the President of the Village of Antioch, Lake County, Illinois, whose name is subscribed to the foregoing Satisfaction, appeared before me this day in person and acknowledged that as such officer he signed and delivered the foregoing Satisfaction as such officer of the Village of Antioch, Lake County, Illinois, as his free and voluntary act, and as the free and voluntary act and deed of such Village, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Notary Public

Commission  
expires: \_\_\_\_\_

**EXHIBIT D**

**COSTS OF ISSUANCE DISBURSEMENT REQUEST**

TO: The Bank of New York Mellon Trust Company, N.A.,  
as Trustee

Attention:

RE: Village of Antioch  
Lake County, Illinois  
Special Service Areas Number One and  
Two Special Tax Refunding Bonds,  
Series 2015 (Deercrest/Clublands  
Project)

Amount Requested: \_\_\_\_\_

Total Disbursements to Date: \_\_\_\_\_

1. Each obligation for which a disbursement is hereby requested is described in Schedule I hereto together with the name and address of the person, firm, or corporation to whom payment is due, for payment of costs of issuance, and any other payment instructions.
2. The bills, invoices, or statements of account for each obligation referenced in Schedule I are attached hereto as Schedule II.
3. The Issuer hereby certifies that:
  - a. This written requisition is for payment of costs in connection with the issuance of the above-referenced Series 2015 Bonds and the specific purpose for which this request is made is described in Schedule I.
  - b. Payment instructions sufficient to make the requested payment are set forth in Schedule I.
  - c. No portion of the amount being requested to be disbursed was set forth in any previous request for disbursement.
4. All capitalized terms herein shall have the meanings assigned to them in the Trust Indenture for the above-referenced Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015 (Deercrest/Clublands Project) dated as of December 1, 2015 by and between the Village of Antioch, Lake County, Illinois and The Bank of New York Mellon Trust Company, N.A., as Trustee.

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT C**

**Bond Purchase Agreement (Series A and Series B Bonds)**

**VILLAGE OF ANTIOCH**  
**Lake County, Illinois**

\$ \_\_\_\_\_  
**Senior Lien Special Service Areas**  
**Number One and Two**  
**Special Tax Refunding Bonds, Series 2015A**  
**(Deercrest/Clublands Special Services)**

\$ \_\_\_\_\_  
**Junior Lien Special Service Areas**  
**Number One and Two**  
**Special Tax Refunding Bonds, Series 2015B**  
**(Deercrest/Clublands Special Services)**

**BOND PURCHASE AGREEMENT**

December \_\_, 2015

Village of Antioch  
874 Main Street  
Antioch, IL 60002

Ladies and Gentlemen:

The undersigned, William Blair & Company LLC (the “Underwriter”), offers to enter into the following agreement (this “Contract”) with the Village of Antioch, Lake County, Illinois (the “Village”), which upon acceptance by the Village and the Developer (defined below) will be binding upon each of the Village, the Developer and the Underwriter. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Trust Indenture (as hereinafter defined) and the Official Statement (as hereinafter defined).

This offer is made subject to acceptance by the Village and the Developer on or before 1:00 P.M., Chicago time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Village and the Developer at the address set forth above at any time prior to the acceptance hereof by the Village and the Developer. This offer is also subject to the following provisions:

1. Definitions.

For purposes of this Contract, the following terms have the meanings specified in this section, unless another meaning is plainly intended:

(A) “Act” means the Special Service Area Tax Law of the State of Illinois, 35 ILCS 200/27-5 et seq., as amended.

(B) “Ancillary Documents” means the Bond Ordinance, the Establishing Ordinances, the Trust Indenture, the Tax Agreements, the Official Statement, the Continuing Disclosure Agreement, the Consulting Agreement, the Redevelopment Agreement and all other agreements and certificates executed and delivered in connection with the issuance and sale of the Series 2015 Bonds.

(C) “Bond Ordinance” means Ordinance No. \_\_\_\_\_ adopted at a meeting of the Village Board of Trustees held on November 16, 2015 and a Bond Order executed pursuant.

(D) “Closing” means the Closing as defined in Section 2(B) herein held on the Closing Date.

(E) “Closing Date” means December \_\_, 2015, or such earlier or later date as the Village, the Developer and the Underwriter shall mutually agree upon, and refers to the date on which the transaction by which the Village causes the Trustee to deliver the Series 2015 Bonds to the Underwriter and the Series 2015 Bonds are paid for by the Underwriter pursuant to this Contract.

(F) “Consultant” means David Taussig & Associates, Inc.

(G) “Consulting Agreement” means the Consulting Agreement to be entered into by and between the Village and the Consultant providing for the administrative services to the Special Service Areas.

(H) “Developer” means collectively, Antioch Land Trust, LLC, a Delaware limited liability company, with respect to Special Service Area Number One, and BMB Associates I LLC, a Delaware limited liability company, with respect to Special Service Area Number Two.

(I) “Developer Documents” means the Redevelopment Agreement and all other agreements and certificates executed and delivered in connection with the issuance and sale of the Series 2015 Bonds.

(J) “Developer Information” means the information in the Official Statement under the captions “INTRODUCTORY STATEMENT”; “PLAN OF FINANCING”; “THE DEVELOPMENTS”; “RISK FACTORS-Concentration of Ownership”, "Construction Risk", "Competition", "Dependence on Unimproved Property", and "Disclosure to Future Purchasers"; “NO LITIGATION—The Developer”; and Appendices A-1 and A-2.

(K) “Governmental Body” means any federal, state, municipal, or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(L) “Official Statement” means the final Official Statement of the Village (including each Appendix thereto) relating to the Series 2015 Bonds dated December \_\_, 2015.

(M) “Pledged Funds” means the Special Taxes and the moneys and funds pledged to the payment of the Series 2015 Bonds pursuant to the Bond Ordinance and Trust Indenture.

(N) “Preliminary Official Statement” means the Preliminary Official Statement of the Village (including each Appendix thereto) relating to the Series 2015 Bonds dated December \_\_, 2015.

(O) “Redevelopment Agreement” means Renewed and Restated Redevelopment Agreement dated as of the Closing Date between the Village and the Developer.

(P) “Series 2015 Bonds” means, collectively, the Series 2015A Bonds and the Series 2015B Bonds.

(Q) “Series 2015A Bonds” means the Village’s Senior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015A (Deercrest/Clublands Project).

(R) “Series 2015B Bonds” means the Village’s Junior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015B (Deercrest/Clublands Project).

(S) “Special Taxes” means the taxes levied by the Village on all taxable real property within the Special Service Areas.

(T) “Trust Indenture” means the Trust Indenture dated as of December 1, 2015, between the Village and the Trustee and any amendments and supplements thereto, pursuant to which the Series 2015 Bonds will be issued.

(U) “Village Information” means information in the Official Statement under the captions “INTRODUCTORY STATEMENT”; “THE SERIES 2015 BONDS” other than information under the sub-caption “—Book-Entry-Only System”; “PLAN OF FINANCING”; “DEBT SERVICE REQUIREMENTS”; “SECURITY AND SOURCES OF PAYMENT ON THE SERIES 2015 BONDS”; “THE SPECIAL SERVICE AREAS AND SPECIAL TAXES” “THE VILLAGE”; “RISK FACTORS”; “RATINGS”; “CONTINUING DISCLOSURE”; “NO LITIGATION—The Village”; and “AUTHORIZATION” and in Appendices B, C and E thereto (collectively, the “Village Information”).

## 2. Purchase and Sale of the Series 2015 Bonds.

(A) Sale of Series 2015 Bonds. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein, the Underwriter hereby agrees to purchase from the Village for a public offering, and the Village hereby agrees to sell to the Underwriter for such purpose, all, but not less than all, of (a) \$\_\_\_\_\_ aggregate principal amount of Series 2015A Bonds, at a purchase price equal to \$\_\_\_\_\_, which reflects an Underwriter’s discount/premium of \$\_\_\_\_\_; and (b) \$\_\_\_\_\_ aggregate principal amount of Series 2015B Bonds, at a purchase price equal to \$\_\_\_\_\_, which reflects an Underwriter’s discount/premium of \$\_\_\_\_\_. The Series 2015 Bonds shall be issued pursuant to the Bond Ordinance and subject to the terms of the Trust Indenture. The Series 2015 Bonds shall be dated the date of issuance and shall mature, bear interest at the rates, be subject to mandatory and optional redemption on such dates and in such amounts, and be offered at the initial offering prices, all as described in the Official Statement, the Bond Ordinance, the Trust Indenture and Exhibit A to this Contract (with only such revisions as are approved by Underwriter in its sole and absolute discretion).

(B) Closing. The purchase and sale of the Series 2015 Bonds shall take place on the Closing Date at the offices of Miller, Canfield, Paddock and Stone, P.L.C., 225 West Washington Street, Suite 2600, Chicago, IL 60606. At the Closing, as defined below, the Underwriter will accept the delivery of the Series 2015 Bonds duly executed by the Village,

together with other documents herein mentioned, and will make payment therefor as provided herein by immediately available funds payable to the order of the Trustee for the account of the Village. The payment for the Series 2015 Bonds and delivery of the Series 2015 Bonds, as herein described, is herein called the “Closing.”

3. Village’s Pre-Closing Deliveries.

(A) Prior to the Closing Date, the Village shall have delivered or caused to be delivered to the Underwriter an executed copy of the Official Statement, executed on behalf of the Village by its Village President.

(B) Prior to the Closing Date, the Village shall have delivered or caused to be delivered to the Underwriter a certified copy of the Establishing Ordinances, the Bond Ordinance, and such other ordinances of the Village which shall include the authorization of the execution, delivery and performance of this Contract, the Series 2015 Bonds and the other Ancillary Documents to which the Village is a party, among other things, together with such reasonable number of copies of each of the foregoing as the Underwriter shall request.

(C) The Village hereby authorizes any and all of the items described above in Subsections (A) and (B) of this Section 3 and the Ancillary Documents and all other instruments, documents and agreements delivered pursuant to Section 8 of this Contract or in connection with the transactions contemplated hereby, for use in connection with the offering and sale of the Series 2015 Bonds. The Village hereby ratifies, approves, and consents to the use and distribution by the Underwriter, prior to the date hereof, of the Preliminary Official Statement and, after the date hereof, of the Official Statement in connection with the offering of the Series 2015 Bonds. The Village hereby agrees to furnish such information, execute such instruments and take such other action at the expense of and in cooperation with the Underwriter as the Underwriter may deem reasonably necessary in order to qualify the Series 2015 Bonds for offering and sale under the “Blue Sky” or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; provided, however, that the Village shall not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

4. Representations and Warranties of the Village. The Village represents and warrants to and agrees with the Underwriter that:

(A) Village. The Village is a non-home rule unit, municipal corporation duly organized and validly existing and is in good standing under the laws and the Constitution of the State of Illinois. The Village is authorized and empowered by the Act and the Bond Ordinance and such other ordinances of the Village as have been duly adopted by the Village, to enter into the transactions contemplated by this Contract, the Bond Ordinance, the Official Statement, and the Ancillary Documents to which the Village is or is to be a party. The adoption of the Bond Ordinance and the execution, delivery and performance by the Village of this Contract, the Ancillary Documents to which the Village is or is to be a party and the issuance of the Series 2015 Bonds are within the legal right, power and authority of the Village, have been duly and validly authorized by all necessary proceedings of the Village, and such execution, delivery and performance by the Village as of the date of this Contract and as of the Closing Date do not and

will not contravene, or constitute a breach of or default (with due notice or the passage of time or both) under, any provision of law, ordinance or regulation applicable to the Village, or any provision of the municipal code or other rules and procedures of the Village, or any judgment, order, decree, agreement or instrument binding on it or, except as described in the Official Statement, result in the creation of any lien or other encumbrance on any asset of the Village. This Contract and the Bond Ordinance each constitute, and the other Ancillary Documents to which the Village is or is to be a party, when executed and delivered by the Village and any other parties thereto, will constitute valid and binding agreements of the Village enforceable against the Village in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization, or other similar laws affecting creditors' rights generally and by the availability of equitable remedies, and the Series 2015 Bonds, when issued and delivered by the Village in accordance with this Contract, the Bond Ordinance and the Trust Indenture will have been duly authorized and issued and will constitute valid and binding obligations of the Village enforceable against the Village in accordance with their terms, except to the extent limited by bankruptcy, reorganization, or other similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies. When delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Contract, the Series 2015 Bonds will conform in all material respects to the description thereof contained in the Official Statement.

(B) Use of Proceeds. The Village will not take or omit to take any action which will in any way cause or result in the proceeds from the sale of the Series 2015 Bonds being applied other than as provided in the Bond Ordinance and the Trust Indenture, and as described in the Official Statement. Such proceeds will not be used by the Village in a manner that would cause the Series 2015 Bonds to be "arbitrage bonds" within the meaning of the Code, or any successor thereto, and the applicable regulations promulgated or proposed thereunder.

(C) Governmental Authorization. All authorizations, consents and approvals of any Governmental Body required in connection with the execution and delivery by the Village of, or in connection with the performance by the Village of its obligations under, the Series 2015 Bonds, the Bond Ordinance, the Trust Indenture, this Contract, or the Ancillary Documents to which the Village is or is to be a party, have been obtained and are in full force and effect, or will be obtained prior to Closing and will be in full force and effect as of the Closing Date.

(D) Official Statement. The Village Information is, and as of the date of the Closing, will be, true and correct in all material respects and such descriptions and information in the Official Statement, as of its date and as of the Closing Date will not contain an untrue, incorrect or misleading statement of a material fact; and such descriptions and information in the Official Statement do not, as of its date and as of the Closing Date will not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(E) No Liens or Encumbrances. Other than as specifically set forth in the Official Statement, there are no existing liens, claims, charges or encumbrances on or rights to any funds, revenues or interests pledged pursuant to the Trust Indenture which are senior to, or on a parity with, the claims of the holders of the Series 2015 Bonds. Other than as specifically disclosed in the Official Statement, the Village has not entered into any contract or arrangements of any kind, and there is no existing, pending, threatened, or anticipated event or circumstance

that might give rise to any lien, claim, charge or encumbrance on or right to the assets, properties, funds, or interests pledged pursuant to the Trust Indenture which would be prior to, or on a parity with, the claims of the holders of the Series 2015 Bonds. The Village is lawfully entitled to receive, pledge and assign all amounts or revenues which have been pledged or assigned as security for the payment of the principal of and interest on the Series 2015 Bonds.

(F) No Litigation. Except as described in the Official Statement, as of the date of this Contract and as of the Closing Date (i) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the Village or, to the knowledge of the Village, threatened against the Village, to restrain or enjoin, or threatening or seeking to restrain or enjoin, the issuance, sale or delivery of the Series 2015 Bonds or the delivery by the Village of any of the Ancillary Documents to which the Village is a party, or the collection of Special Taxes, or in any way contesting or affecting the validity of the Series 2015 Bonds, or any of the Ancillary Documents to which the Village is a party, or in any way questioning or affecting (w) the proceedings under which the Series 2015 Bonds are to be issued, (x) the validity or enforceability of any provision of the Series 2015 Bonds or any Ancillary Document, (y) the authority of the Village to collect the Special Taxes, or to perform its obligations hereunder or with respect to the Series 2015 Bonds, or to consummate any of the transactions set forth in the Ancillary Documents to which it is or is to be a party as contemplated hereby or by the Bond Ordinance, the Trust Indenture, or the Official Statement, (z) the legal existence of the Village, or the title of its Village President, Trustees or officers to their offices, and (ii) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the Village or, to the knowledge of the Village, threatened against the Village, involving any of the property or assets within the Village which may result in any material adverse change in the Trust Estate created under the Trust Indenture, assets or the financial condition of the Village or the proposed construction of the Special Services by the Developer pursuant to the Redevelopment Agreement.

(G) Certificates. Any certificate signed by an authorized officer of the Village and delivered to the Underwriter and/or the Trustee shall be deemed a representation and covenant by the Village to the Underwriter and/or the Trustee as to the statements made therein.

(H) The Ordinances. Each of the Bond Ordinance and the Establishing Ordinances are in full force and effect, and has not been amended, modified, revoked or repealed.

(I) Authorizations for Development. The Village has provided all authorizations or resolutions and taken all actions necessary to allow the Developer to construct and develop the Special Services as set forth in the Ancillary Documents and the Official Statement, no further consent of any employee, officer or trustee of the Village (other than the issuance of a building permit with respect to individual lots), or, to the Village's knowledge, any other person, entity, governmental authority or regulatory body whatsoever is required for the construction and development of the Special Services.

5. Representations and Warranties of the Developer. The Developer represents and warrants to and agrees with the Underwriter and the Village that:

(A) Organization and Power. Each of Antioch Land Trust, LLC and BMB Associates I LLC is a duly organized and validly existing limited liability company under the laws of the State of Delaware. The Developer has all power and authority and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted and to enter into and perform its obligations under this Contract and all Developer Documents to which it is or is to be a party or parties.

(B) Authorization of Agreements, etc. This Contract and the Developer Documents to which the Developer is or is to be a party have each been or will be duly authorized, executed and delivered by the Developer and constitute the legal, valid and binding agreement of the Developer enforceable against the Developer in accordance with their respective terms; provided that the enforceability of such Documents may be limited by bankruptcy, reorganization, insolvency and similar laws affecting the enforcement of creditor's rights and remedies generally, as applied in the event of bankruptcy, reorganization or insolvency of the Developer and to equitable remedies. The Developer has duly authorized all necessary action to be taken by it for (i) approval of the Developer Information and (ii) the execution and delivery of this Contract and the Developer Documents to which the Developer is or is to be a party, and any and all other agreements and documents as may be required to be executed or delivered by the Developer in order to effectuate the transactions contemplated herein and therein.

(C) Redevelopment Agreement. Except for those consents, permits and approvals customarily obtained during construction and development of the Special Services and any and all of the conditions precedent to the obligations of the Developer to construct the Special Services arising under the Redevelopment Agreement have been satisfied. Developer has obtained or will obtain all easements and rights-of-way necessary to construct and operate the Special Services (except such easements or rights-of-way that the Village is obligated to obtain pursuant to the Redevelopment Agreement).

(D) No Material Change. Other than as disclosed in the Official Statement, (i) the Developer has not incurred any material liabilities or entered into any material transactions other than in the ordinary course of business and (ii) there has been no material adverse change in the business, financial position, prospects or results of operations of the Developer, which would affect the Developer's ability to perform its obligations pursuant to this Contract or the Developer Documents, to the extent to which the Developer is or is to be a party to any such agreement.

(E) Noncontravention. The execution, delivery and performance by the Developer of its respective obligations under this Contract and the Developer Documents to which Developer is a party, do not and to the Developer's knowledge, will not contravene, or constitute a default under, any provision of applicable law or regulation or organizational documents of the Developer, or of any agreement, judgment, injunction, order, decree or other instrument binding upon the Developer, and will not result in the creation of any lien or other encumbrance upon any asset of the Developer.

(F) Governmental or Corporate Consents. No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any Governmental

Body or corporate entity in connection with the execution or delivery by the Developer of this Contract or any Developer Document to which the Developer is or is to be a party, or, if any such action is required, the same has been duly taken, is in full force and effect and constitutes valid and sufficient consent or approval therefor, including, without limitation, zoning approvals and building permits, except for those other consents and approvals which are customarily obtained during construction of the Special Services. The Developer has no reason to believe any such consent or approval will not be obtained in due course. The Developer has obtained executed written easement agreements for any and all easements necessary for the construction and operation of the Special Services (except such easements or rights-of-way that the Village is obligated to obtain pursuant to the Redevelopment Agreement or the Settlement Agreement). The Developer has secured any and all sewer treatment capacity and potable water supply capacity necessary for the operation of the Special Services.

(G) No Litigation. Except as described in the Official Statement, there is no material action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the Developer, in which the Developer is a party or, to the knowledge of the Developer threatened against the Developer (i) contesting or in any way relating to (a) the construction and development of the Special Services, (b) the generation of Pledged Funds or the transactions contemplated by the issuance of the Series 2015 Bonds or as otherwise described in the Official Statement; or (ii) which in any way contests the existence or power of the Developer or the validity or enforceability of the Series 2015 Bonds, the Developer Documents, this Contract or which if adversely determined could have a material adverse effect on the Developer.

(H) Official Statement. The Developer Information contained in the Official Statement (i) is true and correct in all material respects as of the date hereof and (ii) as of the date hereof does not contain any untrue statements of a material fact or omit to state a material fact necessary to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(J) No Default. No default or event of default on the part of the Developer has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default on the part of the Developer under this Contract, the Developer Documents to which the Developer is a party, or any other material agreement or material instrument to which the Developer is a party or by which the Developer is or may be bound.

(K) Approvals. The Developer is in good standing with respect to any applicable certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to conduct and to continue to conduct its business as heretofore conducted by it and to own or lease and operate its properties as now owned or leased by it, except those of the foregoing that are currently in process. The Developer has obtained or, to the extent not obtained as of the date hereof, will use best efforts to obtain, any applicable certificates, licenses, inspections, franchises, consents, immunities, permits, authorizations and approvals, governmental or otherwise, necessary to construct the Special Services.

(L) Certificates. Any certificate signed by an authorized representative of the Developer and delivered to the Village or the Underwriter shall be deemed a representation and warranty by the Developer to the Village and the Underwriter as to the statements made by Developer therein.

(M) Environmental Representation. To the best of the Developer's knowledge, no toxic or hazardous substances, including without limitation, asbestos, and the group of organic compounds known as polychlorinated biphenyls, have been generated, treated, stored or disposed of, or otherwise deposited in or located on the site, which includes the Special Service Areas, and no activity has been undertaken at the site which includes the Special Service Areas, other than those activities, which activities are in material conformity with all state and federal laws, for which the Special Services is designed, which could:

(i) cause the Special Services or any part thereof to become a hazardous waste treatment, storage or disposal facility within the meaning of, or otherwise bring such property within the ambit of, the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (the "RCRA"), or any other similar state law or local ordinance;

(ii) cause a release or threatened release of hazardous materials, wastes or substances from the site or any part thereof within the meaning of, or otherwise bring such property or any part thereof within the ambit of, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C., Sections 9601-9657 (the "CERCLA"), or any similar state law or ordinance or any other environmental law;

(iii) cause the discharge of pollutants or effluents into any water source or system, or the discharge into the air of any emissions, which would require a permit under the Federal Water Pollution Control Act, 33 U.S.C., Section 1251 et seq., or the Clean Air Act, 41 U.S.C., Section 7401 et seq., or any similar state law or local ordinance; or

(iv) support a claim or cause of action under RCRA, CERCLA or any other federal, state or local environmental statutes, regulations, ordinances or other environmental regulatory requirements.

(N) No Challenges. The Developer agrees that it will not bring any suit, action or proceeding which challenges the establishment of the Special Service Areas, the levy, extension and collection of the Special Taxes, the validity of the Series 2015 Bonds or the proceedings relating to the Series 2015 Bonds.

## 6. Underwriting.

(A) The Underwriter agrees to make a public offering of the Series 2015 Bonds to investors at prices not in excess of the offering prices set forth on the inside cover page of the Official Statement, and the descriptions and information contained in the Official Statement under the caption "UNDERWRITING" are, and as of the date of the Closing will be, true and correct in all material respects and such descriptions and information in the Official Statement under the caption "UNDERWRITING," as of its date and as of the Closing Date, will

not contain an untrue, incorrect or misleading statement of a material fact; and such descriptions and information in the Official Statement under the caption “UNDERWRITING” do not, as of its date and as of the Closing Date will not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(B) In connection with the Underwriter agreeing to underwrite the Series 2015 Bonds and to conduct a public offering of the Series 2015 Bonds to investors, the Village acknowledges and agrees that:

(i) The Village has received and reviewed the disclosure letter dated \_\_\_\_\_, 2015 that is required by the Municipal Securities Rulemaking Board (“MSRB”) Rule G-17 as set forth in MSRB Notice 2012-25 (May 7, 2012); and

(ii) (a) the purchase and sale of the Series 2015 Bonds pursuant to this Contract is an arm’s-length commercial transaction between the Village and the Underwriter; (b) in connection with the purchase and sale of the Series 2015 Bonds and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as an agent, advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)) or fiduciary of the Village; (c) the Underwriter has financial and other interests that differ from those of the Authority or the Village; and (d) the Village has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

#### 7. Termination of the Purchase Contract.

The Underwriter shall have the right to cancel Underwriter’s obligations to purchase the Series 2015 Bonds, if, between the date hereof and the date of Closing, (i) legislation shall be enacted, or actively considered for enactment, by the Congress or recommended by the President of the United States to the Congress for passage, or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other agency or department of the United States shall be made or proposed to be made which has the purpose or effect, directly or indirectly, of imposing federal income taxes upon interest on the Series 2015 Bonds; (ii) any other action or event shall have transpired which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith or contemplated by the Official Statement, or, in the reasonable opinion of the Underwriter, such action or event pertaining to the federal income tax consequences referenced above materially adversely affects the market for the Series 2015 Bonds or the sale, at the contemplated offering price, by the Underwriter of the Series 2015 Bonds; (iii) legislation shall be enacted, or actively considered for enactment by the Congress, with an effective date on or prior to the date of Closing, or a decision by a court of the United States shall be rendered, or a ruling or regulation by the Securities and Exchange

Commission or other governmental agency having jurisdiction over the subject matter shall be made, the effect of which is that (A) the Series 2015 Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or (B) the Trust Indenture is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; (iv) a stop order, ruling or regulation by the Securities and Exchange Commission shall be issued or made, the effect of which is that the issuance, offering or sale of the Series 2015 Bonds, as contemplated herein and in the Official Statement, is in violation of any provision of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; (v) there shall occur any event which in the reasonable judgment of the Underwriter either (A) makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and, in either such event, the Village refuses to permit the Official Statement to be supplemented to correct or supply such statement or information, or the effect of the Official Statement as so corrected or supplemented is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for the Series 2015 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2015 Bonds; (vi) there shall occur any outbreak of hostilities or any regional, national or international calamity or crisis or a financial crisis and the effect is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or the marketability of the Series 2015 Bonds or obligations of the general character of the Series 2015 Bonds; (vii) a general suspension of trading on the New York Stock Exchange is in force; (viii) a general banking moratorium is declared by federal or state authorities; (ix) there occurs any material adverse change in the affairs, operations or financial conditions of the Village or the Developer, except as set forth or contemplated in the Official Statement; (x) the Official Statement is not executed, approved and delivered in accordance with Section 3 above; (xi) in the reasonable judgment of the Underwriter, the market price of the Series 2015 Bonds, or the market price generally of obligations of the general character of the Series 2015 Bonds, might be adversely affected because: (A) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, or (B) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Series 2015 Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, underwriters; (xii) a war involving the United States of America shall have been declared, or any conflict involving the armed forces of any country shall have escalated, or any other international, national or regional emergency relating to or affecting the effective operation of government or the financial community shall have occurred, which, in the reasonable judgment of the Underwriter, materially adversely affects the market for the Series 2015 Bonds or of obligations of the general character of the Series 2015 Bonds; (xiii) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2015 Bonds or in any way protesting or affecting any authority for or the validity of the Series 2015 Bonds, the Bond Ordinance, the existence or powers of the Village, or any event described or contemplated by the Official Statement; (xiv) there shall have occurred a

default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any city or political subdivision of any state, the effect of which, in the reasonable judgment of the Underwriter, would materially adversely affect the ability of the Underwriter to market the Series 2015 Bonds.

8. Conditions of Closing.

The Underwriter's obligation to purchase the Series 2015 Bonds under this Contract is subject to the performance by the Village and the Developer of their respective obligations hereunder at and prior to the Closing Date, to the accuracy, in the reasonable discretion of the Underwriter, of the representations and warranties of the Village and the Developer contained herein as of the Closing Date, and, in the reasonable discretion of the Underwriter, to the following conditions, including the delivery of such documents as are enumerated herein in form and substance satisfactory to the Underwriter and its counsel as of the Closing Date:

(A) Bond Ordinance in Effect and Village in Compliance Therewith. At the time of the Closing (i) the Bond Ordinance shall be in full force and effect, and shall not have been amended, modified or supplemented since the date hereof, except as may have been agreed to in writing by the Underwriter, and the Village shall have duly adopted and there shall be in full force and effect such additional ordinances or agreements as shall be, in the opinion of Bond Counsel, necessary in connection with the transactions contemplated hereby and (ii) the Village shall perform or have performed all of its obligations required under or specified in this Contract with regard to the Series 2015 Bonds or the Bond Ordinance to be performed at, simultaneously with or prior to the Closing.

(B) Opinions of Bond Counsel. The Underwriter shall have received unqualified approving legal opinions substantially in the form of Appendix C to the Official Statement and supplemental legal opinions substantially in the form of Exhibit B hereto, each dated the Closing Date, addressed to the Village, and Underwriter and the Trustee, from Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, satisfactory to the Underwriter in its reasonable discretion.

(C) Opinion of Underwriter's Counsel. The Underwriter shall have received an opinion dated the Closing Date, addressed to the Underwriter, from Duane Morris LLP, satisfactory to the Underwriter in its reasonable discretion.

(D) Opinion of Counsel to the Village. The Underwriter shall have received a favorable opinion dated the Closing Date, addressed to the Underwriter and the Trustee, from Daniels, Long & Pinsel, LLC, counsel to the Village, satisfactory to the Underwriter in its reasonable discretion, substantially in the form of Exhibit C hereto.

(E) Opinion of Disclosure Counsel to the Village. The Underwriter shall have received a negative assurance opinion dated the Closing Date, addressed to the Underwriter, from Chapman and Cutler, disclosure counsel to the Village, satisfactory to the Underwriter in its reasonable discretion, substantially in the form of Exhibit D hereto.

(F) Opinion of Counsel to the Developer. The Underwriter shall have received a favorable opinion dated the Closing Date, addressed to the Village and the

Underwriter from Bryan Cave LLP, counsel to the Developer, satisfactory to the Underwriter in its reasonable discretion, substantially in the form of Exhibit E hereto.

(G) Performance: No Default. The Village and the Developer shall have performed and complied with all agreements and conditions herein required to be performed or complied with by them prior to or on the Closing Date, and at the time of the Closing no event of default or default shall have occurred and be continuing with respect to any Village Documents or Developer Documents.

(H) Ancillary Documents; Developer Documents. At the Closing Date, (i) all of the Ancillary Documents and the Developer Documents shall be in full force and effect, shall have been duly executed and copies delivered to the Underwriter by, and shall constitute valid and binding agreements of, the parties thereto, shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter and there shall be no defaults or events of default thereunder and (ii) the proceeds of the sale of the Series 2015 Bonds shall be applied or deposited with the Trustee for application as described in the Trust Indenture and the Official Statement.

(I) Closing Certificate of Village. The Village shall have delivered to the Underwriter a certificate dated the Closing Date, addressed to the Underwriter and the Trustee signed by the Village Mayor in form and substance reasonably satisfactory to the Underwriter.

(J) Certificate of Financial Advisor. The Underwriter shall have received a certificate dated the Closing Date from Robert W. Baird & Co., the Village's financial advisor, dated as of the Closing Date, consenting to the references to the advisor in the Preliminary Official Statement and the Official Statement and stating that nothing has come to the attention of the advisor that would lead them to believe that the information and statements in the Official Statement, as of its date and as of the Closing Date, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(K) Consultant's Certificate. The Underwriter shall have received from the Consultant a certificate dated the Closing Date consenting to the references to the consultant in the Preliminary Official Statement and the Official Statement and consenting to the inclusion of the Special Tax Reports as appendices to the Preliminary Official Statement and the Official Statement; and, to the effect that the information contained in the Official Statement with respect to the consultant and its reports is accurate and did not as of its date and does not as of the Closing Date contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(L) Officer's Certificate of the Developer. The Developer shall have delivered to the Underwriter a certificate dated the Closing Date, addressed to the Underwriter signed by an authorized officer of the Developer, in form and substance reasonably satisfactory to the Underwriter.

(M) The Series 2015 Bonds. The Series 2015 Bonds shall have been duly authorized, executed, authenticated, delivered, and the proceeds from the sale thereof applied, in accordance with the provisions of the Bond Ordinance and the Trust Indenture.

(N) Trustee's Certificate. The Underwriter shall have received a certificate dated the Closing Date of an authorized officer of the Trustee, addressed to the Underwriter reasonably acceptable in form and substance to the Underwriter.

(O) Form 8038-G. The Underwriter shall have received a copy of the completed Form 8038-G of the Internal Revenue Service executed by the Village.

(P) Specimen Series 2015 Bonds. The Underwriter shall have received specimen Series 2015 Bonds.

(Q) Certified Copies of Ordinances. The Underwriter shall have received certified copies of the Bond Ordinance and the Establishing Ordinances, as amended. The Bond Ordinance shall include authorization for execution and delivery of this Contract.

(R) Special Tax Roll and Reports. The Underwriter shall have received copies of the Amended Special Tax Roll and Reports for the Special Service Areas prepared by the Consultant substantially in the form attached to the Official Statement (the "Special Tax Roll and Reports").

(S) Rating. The Underwriter shall have received a copy of the rating letter provided by Moody's Investors Service, Inc. with respect to the Series 2015A Bonds.

(T) Bond Insurance Policy. The Trustee shall have received the Policy issued by the \_\_\_\_\_ (the "Bond Insurer") and any other documents executed in connection therewith, including an opinion of counsel to, and/or a certificate signed by an authorized officer of, the Bond Insurer, dated the Closing Date, each in customary form, addressed to the Underwriter and the Issuer, addressing, among other matters, the enforceability of the Policy and the accuracy of the information provided by the Bond Insurer for inclusion in the Official Statement.

(U) DTC Letter of Representations. A copy of the Blanket Letter of Representations to DTC relating to the Series 2015 Bonds signed by the Village.

(V) Title Insurance. The Underwriter shall have received copies of (i) title insurance policies (or commitment(s) therefor) issued by a title insurance company with respect to the parcels owned by the Developer in the Special Tax Areas, and which policy, policies or commitment(s) and company shall be acceptable to the Underwriter in its sole and absolute discretion and (ii) any usual and customary affidavits, certificates and documents required for the closing of the Bonds.

(W) [Evidence of Payment of Back Taxes on Developer-owned Lots—TO BE DETERMINED.]

(X) Engineer's Certificate. The Underwriter shall have received a certificate from the Developer's engineer dated the Closing Date in form and substance satisfactory to the Underwriter stating that the costs for the public improvements to be constructed by the Developer for Special Service Area Number Two as described in the Official Statement will be sufficient to complete the public improvements as proposed, and such other matters as the Underwriter shall reasonably require.

(Y) Final Plats of Subdivision. The Underwriter shall have received the final Plats of Subdivision for each of the Special Service Areas.

(Z) Letters of Intent. The Underwriter shall have received from the Developer's one or more letters of intent from homebuilders demonstrating interest in purchasing lots owned by the Developer in the Special Service Area in form and substance satisfactory to the Underwriter.

(AA) Additional Opinions, Certificates, etc. The Underwriter shall have received such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, the Village or their respective counsel may deem reasonably necessary or desirable. All of the opinions, letters, certificates, insurance policies, instruments and other documents mentioned in this Contract shall be deemed to be in compliance with the provisions of this Contract only if in the reasonable judgment of the Underwriter, they are satisfactory in form and substance.

If there shall be a failure to satisfy the conditions of the Underwriter's obligations contained in this Contract or if the Underwriter's obligations to purchase the Series 2015 Bonds shall be terminated for any reason permitted by this Contract, this Contract shall terminate, and the Underwriter, the Village and the Developer shall not have any further obligations hereunder, except for the obligations set forth in Section 10 hereof which shall remain in full force and effect.

#### 9. Changes Affecting the Official Statement.

At any time prior to the Closing, the Village agrees to supplement or amend the Official Statement whenever requested by the Underwriter when, in the reasonable judgment of the Underwriter and the Village, such supplement or amendment is required. No amendment or supplement to the Official Statement shall be made without the approval of the Underwriter. After the Closing and so long as the Underwriter shall be offering any of the Series 2015 Bonds, but not later than 90 days after the date of this Contract, if any event shall occur as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein, in light of the circumstances under which they are made, not misleading, the Village will so advise the Underwriter. In any such case, the Village and the Developer shall cooperate in the preparation, execution and delivery of either amendments to the Official Statement or supplemental information so that the statements in the Official Statement, as so amended or supplemented will not, in light of the circumstances under which such statements were made, be misleading. The cost of providing such amendments or supplements shall be paid by the Village which costs may be reimbursed from amounts made available under the Trust Indenture as Administrative Costs.

10. Payment of Expenses.

All fees, costs and expenses associated with the issuance of the Series 2015 Bonds, including without limitation, the reasonable fees and disbursements of the preparer of the amendments to the Special Tax Rolls and Report, the fees and costs of the Trustee, costs of the Underwriter in connection with printing the preliminary Official Statement and Official Statement, obtaining CUSIPs, the Underwriter's legal counsel, Duane Morris LLP, Bond Counsel, Miller, Canfield, Paddock and Stone, P.L.C., the Village's counsel, Daniels, Long & Pinsel, LLC, and the Village's disclosure counsel, Chapman and Cutler LLP, shall be disbursed and paid by the Trustee from the proceeds of the Series 2015 Bonds.

11. Notices.

Except as otherwise provided in this Contract, whenever notice is required to be given pursuant to the provisions of this Contract, such notice shall be in writing and shall be mailed by first class mail postage prepaid.

12. Law Governing.

This Contract shall be construed in accordance with and governed by the laws of the State of Illinois.

13. Headings.

The headings of the paragraphs and subparagraphs of this Contract are inserted for convenience only and shall not be deemed to constitute a part of this Contract.

14. Counterparts.

This Contract may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

15. Parties and Interests.

This Contract is made solely for the benefit of the Village, the Underwriter and the Developer, including the successors and assigns of the Underwriter, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof.

16. Indemnification of Underwriter.

(a) The Village agrees to indemnify and hold harmless the Underwriter, each director, trustee, shareholder, officer, employee or agent of any of the Underwriter and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of any of the Underwriter, pursuant to such Underwriter's regulations or Bylaws, or who controls any of the Underwriter within the meaning of Section 20 of the Exchange Act or Section 15 of the Securities Act, from and against any and all losses, claims,

damages, liabilities or expenses whatsoever caused by any untrue or misleading, or allegedly untrue or misleading, statement of a material fact contained in that portion of the Official Statement constituting the Village Information, or in any amendment or supplement thereto with regard to that portion of the Official Statement, or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; the Village shall not be liable under this paragraph if the person asserting any such loss, claim, damage or liability purchased Series 2015 Bonds from the Underwriter, if delivery to such person of the Official Statement, or any amendment or supplement thereto, would have been a valid defense to the action from which such loss, claim, damage or liability arose and if the Official Statement, amendment of or supplement was not delivered to such person by or on behalf of the Underwriter.

In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to the preceding paragraph, such person (the "indemnified party") shall promptly notify the Village in writing, and the Village shall promptly assume the defense thereof, including the employment of counsel chosen by the Village and approved by the Underwriter and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. If any of the indemnified parties is advised by counsel that there may be legal defenses available to such indemnified party which are adverse to or in conflict with those available to the Village or another indemnified party, the Village shall not have the right to assume the defense of such indemnified party, but the Village shall be responsible for the reasonable fees and expenses of counsel retained by such indemnified party in assuming its own defense, and provided also that if the Village shall have failed to assume the defense of such action or to retain counsel satisfactory to the Underwriter within a reasonable time after notice of the commencement of such action, the reasonable fees and expenses of counsel retained by the indemnified parties shall be paid by the Village. Notwithstanding, and in addition to, any of the foregoing, any one or more of the indemnified parties shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless the Village and the indemnified party shall have mutually agreed to the retention of such counsel. Such firm shall be designated in writing by the indemnified party. The Village shall not be liable for any settlement of any proceeding effected without its written consent, but, if settled with such written consent of the Village or if there shall be a final judgment for the plaintiff, the Village agrees to indemnify the indemnified party from and against any loss, damage, cost, expense or liability by reason of such settlement or judgment.

(b) The Developer agrees to indemnify, defend and hold harmless (a) the Underwriter, each director, trustee, member, officer, agent or employee and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of any of the Underwriter, pursuant to such Underwriter's regulations or Bylaws, or who controls any of the Underwriter within the meaning of Section 20 of the Exchange Act or Section 15 of the Securities Act, by contract or otherwise, and (b) the Village, each director, trustee, member, officer, agent or employee and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Village (collectively called the "Section 16(b) Indemnified Parties"), from and against any and all losses, claims, damages, liabilities or expenses to the extent caused by or arising out of any untrue statement or misleading statement or alleged untrue statement or alleged misleading

statement of a material fact contained in any of the Developer Information, or caused by any omission or alleged omission to state in the Developer Information a material fact required to be stated in the Developer Information or necessary to make the statements in the Developer Information, in the light of the circumstances under which they were made, not misleading. The Developer shall not be liable under this paragraph if the person asserting any such loss, claim, damage or liability purchased Series 2015 Bonds from the Underwriter, if delivery to such person of the Official Statement, or any amendment or supplement thereto, would have been a valid defense to the action from which such loss, claim, damage or liability arose and if the Official Statement, amendment of or supplement was not delivered to such person by or on behalf of the Underwriter.

(c) In case any claim shall be made or any action shall be brought against one or more of the Section 16(b) Indemnified Parties desiring to seek indemnification pursuant to this Section 16(b), the Section 16(b) Indemnified Parties seeking indemnity shall promptly notify the Developer in writing, and the Developer shall promptly assume the defense thereof, including the employment of counsel chosen by the Developer and approved by the Underwriter and the Village, which approval will not be unreasonably withheld, and the payment of all reasonable expenses and disbursements of such counsel related to such defense. If any of the Section 16(b) Indemnified Parties is advised by counsel that there may be legal defenses available to it which are adverse to or in conflict with those available to the Developer or any other Section 16(b) Indemnified Party, or that the defense of such Section 16(b) Indemnified Party should be handled by separate counsel, the Developer shall not have the right to assume the defense of such Section 16(b) Indemnified Party, but shall be responsible for the reasonable fees and expenses of counsel retained by such Section 16(b) Indemnified Party in assuming its own defense, and provided also that if the Developer shall have failed to assume the defense of such action or to retain counsel satisfactory to the Underwriter and the Village within a reasonable time after notice of the commencement of such action, the reasonable fees and expenses of counsel retained by the Section 16(b) Indemnified Parties shall be paid by the Developer. Notwithstanding, and in addition to, any of the foregoing, and subject to the approval of the Developer, which approval will not be unreasonably withheld, any one or more of the Section 16(b) Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Section 16(b) Indemnified Party or Parties unless the employment of such counsel has been specifically authorized, in writing, by the Developer, or unless such retention is specifically authorized herein. Developer shall not be liable for any settlement of any proceeding effected without its written consent, but, if settled with such written consent or if there shall be a final judgment for the plaintiff, Developer agrees to indemnify the Section 16(b) Indemnified Parties from and against any loss, damage, cost, expense or liability by reason of such settlement or judgment.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Section 16 is due in accordance with its terms but is for any reason held by a court to be unavailable to any of the Underwriter, the Village or the Developer or unenforceable on grounds of policy or otherwise, the Developer and the Underwriter shall contribute to the aggregate losses, claims, damages, fines and liabilities (including any investigation, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted, but

after deducting any contribution received by the Developer or the Underwriter from persons other than the Developer or the Underwriter who may be liable for contribution, such parties hereby agreeing to seek contribution from such persons) to which the Developer and the Underwriter may be subject in such proportion so that the Underwriter are responsible for that portion represented by the percentage that the underwriting fee bears to the offering price appearing on the cover page of the Official Statement, and the Developer is responsible for the balance; provided, however, in no case shall the Underwriter be responsible for any amount in excess of the amount of said underwriting fee received to such date and provided, further, that no person found guilty of fraudulent misrepresentation, error or omission shall be entitled to contribution (or costs of defense) from any person who was not found guilty of fraudulent misrepresentation, error or omission. For purposes of this Subsection 16(c), each partner, member, associate and employee of any of the Underwriter or the Developer and each person who controls any of the Underwriter or the Developer shall have the same rights to contribution as the Underwriter or the Developer subject to the provisions in the preceding sentence relating to fraudulent misrepresentations. Any party entitled to contribution will promptly after receipt of notice of commencement of any action, threatened action, suit or proceeding against such party or parties under this Subsection 16(c), notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have otherwise under this Subsection 16(c). Any notice given pursuant to Subsections 16(a) or (b) hereof shall be deemed to include notice under this Subsection 16(c).

17. Further Financial Reports.

The Village agrees to provide the financial reports and information described in the Indenture which it has covenanted to provide to the Trustee, to the Underwriter and any Bondholder upon written request.

18. Amendment or Assignment.

This Contract may not be amended except through the written consent of all of the parties hereto and is not assignable.

19. Survival of Representations, Warranties, Agreements and Obligations.

Each respective representation, warranty and agreement of the Village, the Developer and the Purchaser shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Purchaser, the Developer, and the Village and shall survive the Closing. This Section 21, the obligations of the Village under Sections 9, 10, 16 and 17 hereof, and the obligations of the Developer under Sections 10 and 16, hereof shall survive any termination of this Contract pursuant to its terms.

20. Severability.

If any provision of this Contract shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the

effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections in this Contract shall not affect the validity of the remaining portions of this Contract, or any part hereof.

[SIGNATURE PAGE FOLLOWS]

Very truly yours,

WILLIAM BLAIR & COMPANY, LLC

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

Accepted and agreed to by the under-signed  
as of the date first above written.

VILLAGE OF ANTIOCH, an Illinois  
municipal corporation

By: \_\_\_\_\_  
Lawrence M. Hanson, Mayor

ANTIOCH LAND TRUST, LLC, a Delaware  
limited liability company

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

BMB ASSOCIATES I LLC, a Delaware  
limited liability company

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

**EXHIBIT A**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIP NUMBERS**

**VILLAGE OF ANTIOCH  
Lake County, Illinois**

**Senior Lien Special Service Areas  
Number One and Two  
Special Tax Refunding Bonds, Series 2015A  
(Deercrest/Clublands Special Services)**

<b>Maturity (March 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP</b>
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\$ \_\_\_\_\_ % Term Bonds due March 1, 20 \_\_, Yield \_\_%, Price \_\_\_\_% CUSIP: \_\_\_\_\_

**Junior Lien Special Service Areas  
Number One and Two  
Special Tax Refunding Bonds, Series 2015B  
(Deercrest/Clublands Special Services)**

\$ \_\_\_\_\_ % Term Bonds due March 1, 20 \_\_, Yield \_\_%, Price \_\_\_\_% CUSIP: \_\_\_\_\_

## Redemption Provisions

*Mandatory Sinking Fund Redemption.* The Series 2015A Bonds maturing March 1, 20\_\_ are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<b>Series 2015A Bonds</b>	
<b>Year</b>	<b>Amount</b>

The Series 2015B Bonds maturing March 1, 20\_\_ are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<b>Series 2015B Bonds</b>	
<b>Year</b>	<b>Amount</b>

The Village covenants that it will redeem the Series 2015 Bonds pursuant to the mandatory sinking fund redemption requirements for the Series 2015 Bonds to the extent amounts are on deposit in the applicable subaccount of the Bond and Interest Fund. Proper provision for mandatory redemption having been made, the Village covenants that the Series 2015 Bonds so selected for redemption shall be payable upon redemption and taxes have been levied and will be collected as provided in the Trust Indenture and in the Bond Ordinance for such purposes.

The mandatory sinking fund requirements are subject to adjustment as described below.

*Optional Redemption.* The Series 2015 Bonds maturing on or after March 1, 2026 are subject to optional redemption prior to maturity at the option of the Village, in whole or in part, on any date on or after March 1, 2025, at a redemption price of par, plus accrued and unpaid interest to the date of redemption.

Any optional redemption of Series 2015 Bonds in part shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption so as to maintain the proportion of principal maturing and subject to

mandatory sinking fund redemption in each year to the total original principal amount of Series 2015 Bonds.

***Mandatory Redemption Upon Condemnation or Change in Density.*** The Series 2015 Bonds are subject to mandatory redemption on any date, in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium, from amounts in the Special Redemption Account consisting of the proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property dedicated to, or owned by, the Village within the Special Service Area and allocable to the Series 2015 Bonds as determined by the Consultant and which proceeds are not used by the Village to rebuild the Special Services. See “SPECIAL SERVICE AND SPECIAL TAXES—Special Taxes.”

**[Amendment of Special Tax Roll and Reports] [The Series 2015 Bonds are also subject to mandatory redemption on any date, in whole or in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, in the event the annual debt service coverage ratio calculated pursuant to the Special Tax Roll and Reports is less than 110% as a result of a change in the expected number of single family lots or townhome lots within the Special Service Areas as set forth in the final plat or plats of subdivision approved by the Village or any other event that reduces the total of the Maximum Parcel Special Tax (defined in the Special Tax Roll and Reports to be the maximum Special Taxes that can be collected by the Village in any calendar year on any lot or parcel in the Special Service Areas).]** See “SPECIAL SERVICE AREAS AND SPECIAL TAXES—Special Taxes.”

Any mandatory redemption of the Series 2015 Bonds will be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption so as to maintain the proportion of principal maturing and subject to mandatory sinking fund redemption in each year to the total original principal amount of the Series 2015 Bonds.

***Special Mandatory Redemption from Optional Prepayment of Special Taxes.*** The Series 2015 Bonds are also subject to mandatory redemption on March 1, June 1, September 1 or December 1 of any year, in part, from amounts available for disbursement from the Special Redemption Account consisting of the proceeds received by the Village in connection with prepayments of the Maximum Parcel Special Tax (including amounts transferred from the Senior Lien Reserve Fund and the Junior Lien Reserve Fund to the Special Redemption Account), at a redemption price (expressed as a percentage of the principal amount of the Series 2015 Bonds to be redeemed), as set forth below, together with accrued interest on such Series 2015 Bonds to the date fixed for redemption.

<b>Redemption Dates</b>	<b>Redemption Price</b>
On or prior to February 28, 2024	102%
March 1, 2024 through February 28, 2025	101
March 1, 2025 and thereafter	100

Any special mandatory redemption of the Series 2015 Bonds from the optional prepayment of Special Taxes shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption and so as to maintain the proportion of principal maturing in each year and subject to mandatory sinking fund redemption to the total original principal amount of Series 2015 Bonds.

*Redemption Provisions; Notice of Redemption.* If less than all the Series 2015 Bonds of any series and maturity are to be redeemed on any redemption date, the Bond Registrar appointed in the Trust Indenture shall assign to each Series 2015 Bond of the series and maturity to be redeemed a distinctive number for each \$1,000 of principal amount of that Series 2015 Bond. The notice of redemption shall state that such redemption is conditioned upon the irrevocable deposit of funds sufficient to redeem the Series 2015 Bonds to be redeemed on the redemption date. The Bond Registrar shall then select randomly from the numbers so assigned, using such method as it shall deem proper in its discretion, as many numbers as, at \$1,000 per number, shall equal the principal amount of Series 2015 Bonds of that maturity to be redeemed; provided that following any redemption, no Series 2015 Bond shall be outstanding in an amount less than the minimum Authorized Denomination, except as necessary to effect the mandatory sinking fund redemption of Series 2015 Bonds as set forth above.

Notice of the redemption of any Series 2015 Bonds, which by their terms shall have become subject to redemption, shall be given to the registered owner of each Series 2015 Bond or portion of a Series 2015 Bond called for redemption not less than 20 or more than 60 days before any date established for redemption of Series 2015 Bonds, by the Bond Registrar, on behalf of the Village, by first-class mail sent to the registered owner's last address, if any, appearing on the registration books kept by the Bond Registrar. All notices of redemption shall include at least the designation, date and maturity of Series 2015 Bonds called for redemption, CUSIP Number, if available, and the date of redemption. In the case of a Series 2015 Bond to be redeemed in part only, the notice shall also specify the portion of the principal amount of the Series 2015 Bond to be redeemed. The mailing of the notice specified above to the registered owner of any Bond shall be a condition precedent to the redemption of that Series 2015 Bond, provided that any notice which is mailed in accordance with the Trust Indenture shall be conclusively presumed to have been duly given whether or not the owner received the notice. The failure to mail notice to the owner of any Series 2015 Bond, or any defect in that notice, shall not affect the validity of the redemption of any other Series 2015 Bond.

*Purchase in Lieu of Redemption.* In lieu of redemption as provided in the Trust Indenture, moneys in the Bond and Interest Fund may be used and withdrawn by the Village for the purchase of outstanding Series 2015 Bonds, at public or private sale as and when, and at such prices (including brokerage and other charges) as the Village may provide, but in no event may Series 2015 Bonds be purchased at a price in excess of the principal amount of such Series 2015 Bonds, plus interest accrued to the date of purchase and any premium which would otherwise be due if such Series 2015 Bonds were to be redeemed in accordance with the Trust Indenture.

**EXHIBIT B**

**Supplemental Opinions of Bond Counsel**

[To the effect that:

- (A) the Bond Purchase Agreement has been duly authorized, executed and delivered by the Village and constitutes the legal, valid and binding agreement of the Village, enforceable against the Village in accordance with its terms, except as such enforceability may be limited by except to the extent limited by bankruptcy, reorganization, or other similar laws affecting creditors' rights generally and by the availability of equitable remedies;
- (B) The statements and information contained in the Official Statement, as of its date and as of the date of such opinion, relating to the Series 2015 Bonds, the security and sources of payment for the Series 2015 Bonds and the tax status of the Series 2015 Bonds fairly and accurately summarize the provisions of the documents or matters of law indicated therein, as of such dates, and the statements describing the Establishing Ordinances, Bond Ordinance, the Ancillary Documents and the Special Service Areas and Special Taxes contained in the Official Statement, as of its date and as of the date of such opinion, fairly and accurately summarize the provisions of such documents purported to be summarized as of such dates; and
- (C) the Series 2015 Bonds are exempt from registration pursuant to the Series 2015 Bonds Act and the Establishing Ordinances and Bond Ordinance and any related trust indenture are exempt from qualification as an indenture pursuant to the Trust Indenture Act].

## EXHIBIT C

### **Opinion of Counsel to the Village**

[To the effect that:

- (A) the Village is duly created and existing under the constitution and laws of the State and has full legal right, power and authority under the constitution and laws of the State, including the Special Service Area Tax Law and the Local government Debt Reform Act of the State, to adopt the Establishing Ordinances and Bond Ordinance, to create the Special Service Areas, to execute and deliver the Ancillary Documents and the Official Statement, and to issue the Series 2015 Bonds and apply the proceeds thereof pursuant to the Bond Ordinance and the Trust Indenture, and compliance with the provisions of each thereof will not conflict with or constitute a violation or breach of or default under any existing law or administrative rule or regulation, or, to the best of the knowledge of such counsel, any court order or decree, or any agreement, contract or other instrument to which the Village is a party or is otherwise subject or bound;
- (B) by all necessary official action of the Village, the Village has duly authorized and approved (i) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement, (ii) the issuance and sale of the Series 2015 Bonds upon the terms set forth in the Bond Ordinance, the Trust Indenture and the Official Statement and (iii) the execution and delivery of, and the performance by the Village of the obligations on its part contained in, the Series 2015 Bonds, the Establishing Ordinances, Bond Ordinance and the Ancillary Documents;
- (C) the Establishing Ordinances and Bond Ordinance and any other resolutions of the Village approving and authorizing the Special Service Areas and issuance and sale of the Series 2015 Bonds, the distribution of the Preliminary Official Statement and the execution and delivery of the Ancillary Documents and the Official Statement were duly adopted at one or more meetings of the Village that were called and held pursuant to all applicable laws and regulations, and with all public notice required by all applicable laws and regulations and at which a quorum was present and acting throughout;
- (D) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, agency, public board or body pending, or, to the knowledge of such counsel, threatened against the Village: (i) affecting the existence of the Village or the titles of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Series 2015 Bonds or the pledge or collection by the Village of the Trust Estate or the making of any other required deposits with respect to the Series 2015 Bonds, (iii) in any way contesting or affecting the validity or enforceability of, or the power or authority of the Village to issue, adopt or to enter into (as applicable), the Series 2015 Bonds, the Establishing Ordinances and Bond Ordinance or the

Ancillary Documents, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, (v) except as disclosed in the Official Statement, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the Village or would result in any material adverse change in the ability of the Village to pledge the Trust Estate or to pay debt service on the Series 2015 Bonds, or (vi) contesting the status of the interest on the Series 2015 Bonds as excludable from gross income for federal income tax purposes or as exempt from any applicable state tax, in each case as described in the Official Statement;

- (E) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement have been duly authorized by the Village; and
- (F) all authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the due performance by the Village of its obligations under the Establishing Ordinances and Bond Ordinance, the Ancillary Documents and the Series 2015 Bonds have been duly obtained, except for: (i) such approvals, consents and orders as may be required under the Blue Sky or Series 2015 Bonds laws of any jurisdiction in connection with the offering and sale of the Series 2015 Bonds and (ii) authorizations, approvals, consents and orders that are required to be obtained or renewed periodically, such as budgets, licenses and permits.]

## **EXHIBIT D**

### **Opinion of Disclosure Counsel to the Village**

[To the effect that nothing has come to the attention of such counsel that would lead them to believe that the information and statements in the Official Statement, as of its date and as of the date of such opinion, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that no view need be expressed as to the financial statements of the Village, any other financial, forecast, technical or statistical data, DTC, the Bond Insurer or under the caption "Underwriting" in the Official Statement].

## **EXHIBIT E**

### **Opinion of Counsel to the Developer**

[To the effect that:

- (A) Each of Antioch Land Trust LLC and BMB Associates I LLC has been duly organized and is validly existing in good standing as a limited liability company under the laws of the State of Delaware.
- (B) The Developer has corporate power and authority to enter into and perform its obligations under the Developer Documents to which it is a party. The execution and delivery of the Developer Documents to which the Developer is a party and the performance by the Developer of its obligations thereunder have been duly authorized by requisite corporate action, and the Developer Documents to which the Developer is a party have been duly executed and delivered by the Developer.
- (C) The execution and delivery of the Developer Documents to which the Developer is a party and the performance by the Developer of its obligations under such instruments (i) do not conflict with or result in a violation of the Certificate of Formation or limited liability company agreement of the Developer, or of any agreement, instrument, order, writ, judgment or decree known to us, after reasonable inquiry, to which the Developer is a party or is subject, (ii) do not result in a violation of any constitution, statute, order, rule or regulation known to us to which the Developer is subject, (iii) do not result in a violation of any judicial or administrative decree, writ, judgment or order known to us to which the Developer is subject and (iv) do not result in or require the creation or imposition of any lien of any nature upon or with respect to any of its properties now owned or hereafter acquired, except as contemplated by the Developer Documents;
- (4) No consents, approvals or authorizations of any governmental authority of the United States or the State of Illinois are required on the part of the Developer in connection with the Developer's execution and delivery of the Developer Documents.
- (5) The Developer Documents to which the Developer is a party constitute legal, valid and binding obligations of the Developer and are enforceable against the Developer in accordance with the terms of such instruments
- (6) Nothing has come to the attention of such counsel that would lead them to believe that the information and statements in the Official Statement, as of its date and as of the date of such opinion, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that no view need be expressed as to the financial

statements of the Village, any other financial, forecast, technical or statistical data, DTC, the Bond Insurer or under the caption "Underwriting" in the Official Statement.]

**EXHIBIT D**

**Preliminary Official Statement**

**PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER \_\_, 2015**

**NEW ISSUE--BOOK-ENTRY ONLY**

**Ratings: See "RATINGS" herein.**

*In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and, assuming among other matters, compliance with certain covenants, interest on the Series 2015 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the opinion of Bond Counsel, interest on the Series 2015 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the Series 2015 Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS."*

**VILLAGE OF ANTIOCH  
Lake County, Illinois**

**\$17,037,000\***

**Senior Lien Special Service Areas  
Number One and Two  
Special Tax Refunding Bonds, Series 2015A  
(Deercrest/Clublands Project)**

**\$6,211,000\***

**Junior Lien Special Service Areas  
Number One and Two  
Special Tax Refunding Bonds, Series 2015B  
(Deercrest/Clublands Project)**

**Dated: Date of Issuance**

**Due: As shown on inside front cover**

The Senior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015A (Deercrest/Clublands Project) (the "Series 2015A Bonds" or the "Senior Lien Bonds"), and Junior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015B (Deercrest/Clublands Project) (the "Series 2015B Bonds" or the "Junior Lien Bonds," and together with the Series 2015A Bonds, the "Series 2015 Bonds"), offered hereby are issuable by the Village of Antioch, Lake County, Illinois (the "Village"), as fully registered bonds without coupons in book-entry form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Beneficial Owners of the Series 2015 Bonds will not receive physical certificates representing their interest in the Series 2015 Bonds purchased. See "THE SERIES 2015 BONDS—Book-Entry-Only System."

The Series 2015A Bonds are issuable in authorized denominations of \$5,000 or integral multiples of \$1,000 in excess thereof. The Series 2015B Bonds are issuable in authorized denominations of \$100,000 or integral multiples of \$1,000 in excess thereof. Principal of, premium, if any, and interest (payable on March 1 and September 1 of each year, commencing March 1, 2016) on the Series 2015 Bonds are payable by The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), to DTC, which will remit such principal, premium, if any, and interest to DTC's Participants, who in turn will be responsible for remitting such payments to the Beneficial Owners of the Series 2015 Bonds. See "THE SERIES 2015 BONDS—General."

The proceeds of the Series 2015 Bonds will be used to (i) refund all of the Village's Special Service Area Number One Special Tax Bonds, Series 2003 (Deercrest Project) and Special Service Area Number Two Special Tax Bonds, Series 2003 (Clublands Project) (collectively, the "Prior Bonds"); (ii) pay certain administrative expenses of the Village relating to the Village's Special Service Area Number One and Special Service Area Number Two (the "Special Service Areas"); (iii) fund separate debt service reserve funds for the Series 2015A Bonds and the Series 2015B Bonds; (iv) pay the insurance premium for the Series 2015A Bonds; and (v) pay the costs of issuance of the Series 2015 Bonds. See "PLAN OF FINANCING."

The Series 2015 Bonds are subject to optional, mandatory and special mandatory redemption prior to maturity as set forth herein. See "THE SERIES 2015 BONDS—Redemption."

**For maturities, principal amounts, interest rates, yields, prices and CUSIP numbers of the Series 2015 Bonds, see the inside front cover of this Official Statement.**

The Series 2015 Bonds will be secured solely by the proceeds of certain taxes levied by the Village (the "Special Tax") on all taxable residential real property within the Special Service Areas pursuant to the Special Tax Roll and Reports and the Trust Indenture, as described herein, and certain funds held by the Trustee under the Trust Indenture. The Senior Lien Bonds will have a lien against the proceeds of the Special Taxes prior to the claim of the Junior Lien Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2015 BONDS."

See "RISK FACTORS" herein for a discussion of the risks that should be considered by persons considering a purchase of the Series 2015 Bonds.

The scheduled payment of principal of and interest on the Series 2015A Bonds when due will be guaranteed under an insurance policy (the "Policy") to be issued concurrently with the delivery of the Series 2015A Bonds by [\_\_\_\_\_]. See APPENDIX E—"SERIES 2015A BOND INSURANCE POLICY."

[Bond Insurer Logo]

The Series 2015B Bonds will not be guaranteed by the Policy. The Series 2015B Bonds are being offered only to a limited number of sophisticated institutional purchasers. See "NOTICE TO INVESTORS" and "UNDERWRITING" herein.

THE SERIES 2015 BONDS ARE BEING ISSUED PURSUANT TO THE SPECIAL SERVICE AREA TAX LAW OF THE STATE OF ILLINOIS, AS AMENDED, AND, IN THE OPINION OF BOND COUNSEL, WILL CONSTITUTE VALID AND LEGALLY BINDING LIMITED OBLIGATIONS OF THE VILLAGE PAYABLE FROM THE SPECIAL TAXES AND AMOUNTS ON DEPOSIT IN CERTAIN OF THE FUNDS ESTABLISHED AND MAINTAINED PURSUANT TO THE TRUST INDENTURE, AS SET FORTH HEREIN. THE SERIES 2015 BONDS ARE NOT GENERAL OBLIGATIONS OF THE VILLAGE AND NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE VILLAGE, LAKE COUNTY, THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE SERIES 2015 BONDS. NO HOLDER OF ANY SERIES 2015 BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE (OTHER THAN THE LEVY OF THE SPECIAL TAXES AS DESCRIBED HEREIN) FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, OR INTEREST ON, THE SERIES 2015 BONDS.

*The Series 2015 Bonds are offered when, as and if issued, subject to prior sale, withdrawal or modification of the offer without notice, the approving legal opinion of Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by Duane Morris LLP, Chicago, Illinois, and for the Village by Daniels, Long & Pinsel, LLC, Waukegan, Illinois. Chapman and Cutler LLP, Chicago, Illinois, is acting as Disclosure Counsel to the Village. It is expected that the Series 2015 Bonds will be available for delivery to DTC in New York, New York on or about December \_\_, 2015.*

**William Blair & Company**

December \_\_, 2015

\*Preliminary; subject to change.

*This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.*

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIP NUMBERS**

**VILLAGE OF ANTIOCH  
Lake County, Illinois**

**Senior Lien Special Service Areas  
Number One and Two  
Special Tax Refunding Bonds, Series 2015A  
(Deercrest/Clublands Project)**

<b>Maturity (March 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP*</b>
-------------------------------	-----------------------------	----------------------	--------------	--------------	---------------

\$ \_\_\_\_\_ % Term Bonds due March 1, 20 \_\_, Yield \_\_%, Price \_\_\_\_% CUSIP\*: \_\_\_\_\_

**Junior Lien Special Service Areas  
Number One and Two  
Special Tax Refunding Bonds, Series 2015B  
(Deercrest/Clublands Project)**

\$ \_\_\_\_\_ % Term Bonds due March 1, 20 \_\_, Yield \_\_%, Price \_\_\_\_% CUSIP\*: \_\_\_\_\_

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\*Copyright 2015, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a Division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed are being provided solely for the convenience of the bondholders only at the time of sale of the Series 2015 Bonds and the Village does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to change after the sale of the Series 2015 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2015 Bonds.

**VILLAGE OF ANTIOCH, ILLINOIS**

**MAYOR**

Lawrence M. Hanson

**BOARD OF TRUSTEES**

Mary C. Dominiak

Jerry T. Johnson

Jay Jozwiak

Ed Macek

Scott A. Pierce

Ted P. Poulos

**ADMINISTRATOR**

Jim Keim

**VILLAGE CLERK**

Lori K. Folbrick

**FINANCE DIRECTOR**

Joy McCarthy

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David Taussig & Associates, Inc.  
Newport Beach, California

**FINANCIAL ADVISOR**

Robert W. Baird & Co.  
Naperville, Illinois

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## NOTICE TO INVESTORS

This Official Statement is being furnished by the Village of Antioch, Lake County, Illinois (the “Village”) solely for the purpose of each investor’s consideration of the purchase of the Series 2015 Bonds described herein, and is not to be used for any other purpose or made available to anyone not directly concerned with the decision regarding such purchase.

The Series 2015B Bonds will be sold to no more than 35 sophisticated institutional investors with substantial financial resources and the experience and financial expertise to understand and evaluate the high degree of risk inherent in the Series 2015B Bonds. See “UNDERWRITING.”

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2015 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale in such jurisdiction. Interested investors are being provided the opportunity to ask such questions and examine such documents and records as they may desire, and are advised to contact the Underwriter to secure further information concerning the Series 2015 Bonds. No dealer, broker, salesman or other person has been authorized by the Village or the Underwriter to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein, and, if given or made, such information or representation must not be relied upon as having been authorized. Certain information contained herein has been obtained from the Village, DTC, and other sources which are believed by the Underwriter to be reliable, but it is not guaranteed as to accuracy or completeness. In accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, the Underwriter has reviewed the information in this Official Statement, but does not guarantee the accuracy or completeness of such information. Neither the delivery of this Official Statement nor the sale of any of the Series 2015 Bonds shall imply that the information herein is correct as of any time subsequent to the date hereof.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports, agreements or other documents are referred to herein, reference should be made to such statutes, reports, agreements or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

THE SERIES 2015 BONDS HAVE RISK CHARACTERISTICS WHICH REQUIRE CAREFUL ANALYSIS AND CONSIDERATION BEFORE A DECISION TO PURCHASE IS MADE. THE SERIES 2015 BONDS SHOULD BE PURCHASED BY INVESTORS WHO HAVE ADEQUATE EXPERIENCE TO EVALUATE THE MERITS AND RISKS OF THE SERIES 2015 BONDS. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFICIAL STATEMENT OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE UNDERWRITER, ITS AFFILIATES, OFFICERS AND EMPLOYEES OR ANY PROFESSIONAL ASSOCIATED WITH THIS OFFERING AS INVESTMENT OR LEGAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO FINANCIAL, LEGAL AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN.

THE SERIES 2015 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE TRUST INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2015 BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2015 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS

A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2015 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2015 BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2015 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE SERIES 2015 BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE SERIES 2015 BONDS ARE RELEASED FOR SALE, AND THE SERIES 2015 BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE SERIES 2015 BONDS INTO INVESTMENT ACCOUNTS.

There can be no guarantee that there will be a secondary market for the Series 2015 Bonds or, if a secondary market exists, that it would continue to exist or that the Series 2015 Bonds could in any event be sold for any particular price. Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized.

In connection with the issuance of the Series 2015 Bonds, the Village will enter into a Continuing Disclosure Agreement with The Bank of New York Mellon Trust Company, N.A. See “CONTINUING DISCLOSURE” herein.

#### **CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT**

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Certain statements included in or incorporated by reference in this Official Statement that are not purely historical are “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, and reflect the Village’s current expectations, hopes, intentions, or strategies regarding the future. Such statements may be identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “intend” or other similar words.

**UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE VILLAGE ON THE DATE HEREOF, AND THE VILLAGE ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED UNDER THE CAPTION “CONTINUING DISCLOSURE.”**

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APPENDICES

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- APPENDIX B-1 - Special Service Area Number One (Deercrest) Special Tax Roll and Report dated April 29, 2003
- APPENDIX B-2 - Special Service Area Number Two (Clublands) Special Tax Roll and Report dated April 29, 2003, as amended on November 16, 2015
- APPENDIX C - Trust Indenture
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**VILLAGE OF ANTIOCH  
Lake County, Illinois**

**\$17,037,000\***  
**Senior Lien Special Service Areas  
Number One and Two  
Special Tax Refunding Bonds, Series 2015A  
(Deercrest/Clublands Project)**

**\$5,211,000\***  
**Junior Lien Special Service Areas  
Number One and Two  
Special Tax Refunding Bonds, Series 2015B  
(Deercrest/Clublands Project)**

**INTRODUCTORY STATEMENT**

This Official Statement, which includes the cover page and Appendices attached hereto, is provided to furnish information in connection with the offering and sale by the Village of Antioch, Lake County, Illinois (the "Village") of \$17,037,000\* aggregate principal amount of Senior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015A (Deercrest/Clublands Project) (the "Series 2015A Bonds" or the "Senior Lien Bonds"), and \$6,009,000\* aggregate principal amount of Junior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015B (Deercrest/Clublands Project) (the "Series 2015B Bonds" or the "Junior Lien Bonds," and together with the Series 2015A Bonds, the "Series 2015 Bonds"). Capitalized terms used but not defined herein shall have the meaning given such terms in the Trust Indenture (defined below). See APPENDIX B—"TRUST INDENTURE."

The Series 2015 Bonds are being issued by the Village pursuant to (i) Part 6 of Section 7 of Article VII of the 1970 Constitution of the State of Illinois; (ii) the Special Service Area Tax Law of the State of Illinois, 35 ILCS §200/27-5 et seq., as amended, (iii) the Local Government Debt Reform Act of the State of Illinois, 30 ILCS §350/1 et seq., as amended; (iv) Ordinance No. \_\_\_\_\_ of the Village adopted November 16, 2015 (the "Bond Ordinance") providing for the issuance of the Series 2015 Bonds; and (v) the Trust Indenture dated as of December 1, 2015 (the "Trust Indenture") between the Village and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The Series 2015 Bonds will be payable solely from the proceeds of certain taxes levied by the Village (the "Special Taxes") on all taxable residential real property within the Village's Special Service Area Number One and Special Service Area Number Two (collectively, the "Special Services Areas") and other moneys deposited in funds and accounts established pursuant to the Bond Ordinance and the Trust Indenture, as described herein. The maximum amount of Special Taxes for Special Service Area Number One and Special Service Area Number Two are set forth in the Village of Antioch Special Service Area Number One (Deercrest) Special Tax Roll and Report dated April 29, 2003, and the Village of Antioch Special Service Area Number Two (Clublands) Amended Special Tax Roll and Report dated April 29, 2003, as amended on November 16, 2015, including all exhibits attached thereto (collectively, the "Special Tax Roll and Reports"), which have been prepared by David Taussig & Associates, Inc. (the "Consultant"). The Series 2015A Bonds and Series 2015B Bonds will also be secured by separate and segregated debt service reserve funds established pursuant to the Trust Indenture. The Senior Lien Bonds will have a lien against the proceeds of the Special Taxes prior to the claim of the Junior Lien Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2015 BONDS."

The Special Service Areas were established in 2002 and originally owned and developed by Neumann Homes, Inc. and/or its affiliate New PC 55 LLC (collectively, the "Original Developer"). Special Service Area Number One consists of approximately 234 acres of land located along State Route 173 in the Village (the "Deercrest Subdivision"). In 2003, the Village issued \$10,685,000 in aggregate principal amount of Special Service Area Number One Special Tax Bonds, Series 2003 (Deercrest

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\*Preliminary; subject to change.

Project) (the “Series 2003 Deercrest Project Bonds”), of which \$9,712,000 in principal amount remains outstanding, to pay and provide funds for a portion of the costs of the acquisition, construction and installation of public improvements (the “Special Services”) benefiting the Deercrest Subdivision.

Special Service Area Number Two consists of approximately 450 acres of land located along State Route 173 in the Village (the “Clublands Subdivision”), which was planned in four phases for 955 single family parcels after the Village approved a plat amending a portion of Phase 3 (East) on September 14, 2006. In 2003, the Village issued \$13,850,000 in aggregate principal amount of Special Service Area Number Two Special Tax Bonds, Series 2003 (Clublands Project) (the “Series 2003 Clublands Project Bonds” and together with the Series 2003 Deercrest Project Bonds, the “Prior Bonds”), of which \$12,443,000 in principal amount remains outstanding, to pay and provide funds for the costs of the Special Services for Phase 1, 2 and 3 of the Clublands Subdivision. The original plan for the Clublands Subdivision also contemplated issuance of special service bonds by the Village to complete Phase 4 of the development.

With proceeds from the Prior Bonds and other available funds, the Original Developer developed the Deercrest Subdivision with finished lots for 379 detached single family homes and 116 townhomes, and developed Phase 1 and Phase 2 and a portion of Phase 3 of the Clublands Subdivision with finished lots for 497 detached single family homes across all three phases. Most of the lots in Deercrest Subdivision and in Phase 1 and 2 of the Clublands Subdivision were improved with dwelling units and purchased by home buyers. Special service area bonds for Phase 4 of the Clubland’s Subdivision were never issued and no development was undertaken for Phase 4.

As a result of the economic downturn in 2007, further development of the Special Service Areas was halted. The Original Developer declared bankruptcy in 2007, leaving the Special Service Areas unfinished and burdened with legal issues. With recoveries from payment and performance bonds posted by Original Developer, the Village was able to stabilize the subdivisions and complete certain of the remaining improvements.

Significant delinquencies in the payment of Special Taxes associated with developer-owned lots have occurred in the Special Service Areas. See “THE SPECIAL SERVICE AREAS AND SPECIAL TAXES—Historical Special Tax Collections and Delinquencies.” As a result, the amount of Special Taxes collected from the Special Service Areas has been insufficient to pay all of the debt service on the Prior Bonds. In \_\_\_\_\_, 201\_\_, the trustee for the Prior Bonds began drawing upon the debt service reserve funds established for the Prior Bonds to pay debt service.

In 2012, Antioch Land Trust, LLC (“ALT”), a company controlled by Mr. Troy Mertz, acquired a number of unsold lots in the Deercrest Subdivision. In 2014, BMB Associates I LLC (“BMB,” and together with “ALT,” the “Developer”), also controlled by Mr. Mertz, acquired all of the unimproved lots in the Clublands Subdivision.

The Village is currently engaged with the Developer in formulating plans to resume the development of the Special Service Areas. The Developer proposes to begin offering the finished lots it currently owns in the Special Service Areas to homebuilders and, based on market conditions, to construct certain public improvements in Phase 3 of the Clublands Subdivision to increase the number of finished lots available for sale. See “THE DEVELOPMENTS —New Construction.”

The Village has agreed with the Developer to refinance both series of the Prior Bonds with the Series 2015 Bonds to facilitate the further development of the Special Service Areas. By joining the Special Service Areas for purposes of refinancing the Prior Bonds with a single, larger issue of special service bonds, the Village can reduce overall debt service costs associated with the Special Service Areas,

lower transaction costs and administrative expenses and increase the potential for reducing long-term the Special Taxes paid by residents of the Special Service Areas. The Village believes the refunding of the Prior Bonds with proceeds of the Series 2015 Bonds will achieve these benefits. See “PLAN OF FINANCING.”

Payment of debt service on the Series 2015 Bonds, and in particular the Series 2015B Bonds, will largely be dependent on the ability and willingness of the Developer to pay the Special Taxes on lots that it owns in the Special Service Areas prior to sales of finished lots to homebuilders and the completion of the planned public improvements for Phase 3 of the Clublands Subdivision. See “RISK FACTORS—Concentration of Ownership” and “—Construction Risk.”

IN THE OPINION OF BOND COUNSEL, THE SERIES 2015 BONDS WILL CONSTITUTE VALID AND LEGALLY BINDING LIMITED OBLIGATIONS OF THE VILLAGE, PAYABLE FROM THE SPECIAL TAXES (AS PROVIDED IN THE BOND ORDINANCE, AND THE TRUST INDENTURE) AND AMOUNTS ON DEPOSIT IN CERTAIN OF THE FUNDS AND ACCOUNTS ESTABLISHED AND MAINTAINED UNDER THE TRUST INDENTURE, AS SET FORTH HEREIN. THE SERIES 2015 BONDS ARE NOT GENERAL OBLIGATIONS OF THE VILLAGE AND NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE VILLAGE, LAKE COUNTY, THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE SERIES 2015 BONDS. NO HOLDER OF ANY BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE (OTHER THAN THE LEVY OF THE SPECIAL TAXES) FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2015 BONDS.

A copy of any document or agreement referred to herein may be obtained upon request from William Blair & Company, L.L.C. (the “Underwriter”). See “UNDERWRITING.”

## **THE SERIES 2015 BONDS**

### **General**

The Series 2015 Bonds will be issued in the principal amounts and bear interest at the rates set forth on the inside front cover of this Official Statement. The Series 2015 Bonds will be issued only as fully registered bonds without coupons in book entry form. The Series 2015A Bonds are issuable in minimum denominations of \$5,000 and integral multiples of \$1,000 in excess thereof, and the Series 2015B Bonds are issuable in authorized denominations of \$100,000 or any integral multiple of \$1,000 in excess thereof.

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Series 2015 Bonds. Principal of, premium, if any, and interest on the Series 2015 Bonds will be paid by the Trustee directly to DTC, which will remit such principal, premium, if any, and interest to DTC’s Participants, who, in turn will be responsible for remitting such payments to the Beneficial Owners of the Series 2015 Bonds. See “THE SERIES 2015 BONDS—Book-Entry-Only System.”

Interest on the Series 2015 Bonds will be paid in lawful money of the United States of America semiannually on March 1 and September 1 of each year (each, an “Interest Payment Date”), commencing March 1, 2016. Interest on the Series 2015 Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months.

### **Redemption**

*Mandatory Sinking Fund Redemption.* The Series 2015A Bonds maturing March 1, 20\_\_ are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<b>Series 2015A Bonds</b>	
<b>Year</b>	<b>Amount</b>
2016	\$1,017,000
2017	565,000
2018	600,000
2019	636,000
2020	674,000
2021	713,000
2022	752,000
2023	794,000
2024	838,000
2025	886,000
2026	937,000
2027	1,004,000
2028	1,075,000
2029	1,150,000
2030	1,229,000
2031	1,313,000
2032	1,388,000
2033	1,466,000

The Series 2015B Bonds maturing March 1, 20\_\_ are subject to mandatory sinking fund redemption and final payment at a price of par plus accrued interest, without premium, on March 1, of the years and in the amounts as follows:

<b>Series 2015B Bonds</b>	
<b>Year</b>	<b>Amount</b>
2016	\$299,000
2017	163,000
2018	173,000
2019	189,000
2020	205,000
2021	223,000
2022	242,000
2023	262,000
2024	284,000
2025	306,000
2026	330,000
2027	356,000
2028	384,000
2029	413,000
2030	444,000
2031	477,000
2032	512,000
2033	549,000

The Village covenants that it will redeem the Series 2015 Bonds pursuant to the mandatory sinking fund redemption requirements for the Series 2015 Bonds to the extent amounts are on deposit in

the applicable subaccount of the Bond and Interest Fund. Proper provision for mandatory redemption having been made, the Village covenants that the Series 2015 Bonds so selected for redemption shall be payable upon redemption and taxes have been levied and will be collected as provided in the Trust Indenture and in the Bond Ordinance for such purposes.

The mandatory sinking fund requirements are subject to adjustment as described below.

*Optional Redemption.* The Series 2015 Bonds maturing on or after March 1, 2026 are subject to optional redemption prior to maturity at the option of the Village, in whole or in part, on any date on or after March 1, 2025, at a redemption price of par, plus accrued and unpaid interest to the date of redemption.

Any optional redemption of Series 2015 Bonds in part shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption so as to maintain the proportion of principal maturing and subject to mandatory sinking fund redemption in each year to the total original principal amount of Series 2015 Bonds.

*Mandatory Redemption Upon Condemnation or Change in Density.* The Series 2015 Bonds are subject to mandatory redemption on any date, in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium, from amounts in the Special Redemption Account consisting of the proceeds received by the Village in connection with a condemnation of any of the Special Services or any other property dedicated to, or owned by, the Village within the Special Service Area and allocable to the Series 2015 Bonds as determined by the Consultant and which proceeds are not used by the Village to rebuild the Special Services. See “SPECIAL SERVICE AND SPECIAL TAXES—Special Taxes.”

The Series 2015 Bonds are also subject to mandatory redemption on any date, in whole or in part, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without premium, in the event of a mandatory prepayment of the Special Taxes upon a reduction in the Maximum Parcel Special Tax as a result of a change in the number of single family lots or townhomes to be built within the Special Services Areas as set forth in an amendment to the final plat or plats of subdivision approved by the Village or any other event that reduces the total of the Maximum Parcel Special Tax as described in, and in the amounts set forth in, section H of the Rates and Methods. See “SPECIAL TAX ROLL AND REPORTS—Exhibit A—Rate and Method of Levying Special Taxes—H. Mandatory Special Tax Prepayment” in APPENDIX A-1 and A-2, respectively.

Any mandatory redemption of the Series 2015 Bonds will be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption so as to maintain the proportion of principal maturing and subject to mandatory sinking fund redemption in each year to the total original principal amount of the Series 2015 Bonds.

*Special Mandatory Redemption from Optional Prepayment of Special Taxes.* The Series 2015 Bonds are also subject to mandatory redemption on March 1, June 1, September 1 or December 1 of any year, in part, from amounts available for disbursement from the Special Redemption Account consisting of the proceeds received by the Village in connection with prepayments of the Maximum Parcel Special Tax (including amounts transferred from the Senior Lien Reserve Fund and the Junior Lien Reserve Fund to the Special Redemption Account), at a redemption price (expressed as a percentage of the principal amount of the Series 2015 Bonds to be redeemed), as set forth below, together with accrued interest on such Series 2015 Bonds to the date fixed for redemption.

<b>Redemption Dates</b>	<b>Redemption Price</b>
On or prior to February 28, 2024	102%
March 1, 2024 through February 28, 2025	101
March 1, 2025 and thereafter	100

See “SPECIAL SERVICE AND SPECIAL TAXES—Special Taxes.”

Any special mandatory redemption of the Series 2015 Bonds from the optional prepayment of Special Taxes shall be applied, to the extent possible, to reduce pro rata the amount of Series 2015 Bonds required to be paid at maturity and to be redeemed by mandatory sinking fund redemption and so as to maintain the proportion of principal maturing in each year and subject to mandatory sinking fund redemption to the total original principal amount of Series 2015 Bonds.

*Redemption Provisions; Notice of Redemption.* If less than all the Series 2015 Bonds of any series and maturity are to be redeemed on any redemption date, the Bond Registrar appointed in the Trust Indenture shall assign to each Series 2015 Bond of the series and maturity to be redeemed a distinctive number for each \$1,000 of principal amount of that Series 2015 Bond. The notice of redemption shall state that such redemption is conditioned upon the irrevocable deposit of funds sufficient to redeem the Series 2015 Bonds to be redeemed on the redemption date. The Bond Registrar shall then select randomly from the numbers so assigned, using such method as it shall deem proper in its discretion, as many numbers as, at \$1,000 per number, shall equal the principal amount of Series 2015 Bonds of that maturity to be redeemed; provided that following any redemption, no Series 2015 Bond shall be outstanding in an amount less than the minimum Authorized Denomination, except as necessary to effect the mandatory sinking fund redemption of Series 2015 Bonds as set forth above.

Notice of the redemption of any Series 2015 Bonds, which by their terms shall have become subject to redemption, shall be given to the registered owner of each Series 2015 Bond or portion of a Series 2015 Bond called for redemption not less than 20 or more than 60 days before any date established for redemption of Series 2015 Bonds, by the Bond Registrar, on behalf of the Village, by first-class mail sent to the registered owner’s last address, if any, appearing on the registration books kept by the Bond Registrar. All notices of redemption shall include at least the designation, date and maturity of Series 2015 Bonds called for redemption, CUSIP Number, if available, and the date of redemption. In the case of a Series 2015 Bond to be redeemed in part only, the notice shall also specify the portion of the principal amount of the Series 2015 Bond to be redeemed. The mailing of the notice specified above to the registered owner of any Bond shall be a condition precedent to the redemption of that Series 2015 Bond, provided that any notice which is mailed in accordance with the Trust Indenture shall be conclusively presumed to have been duly given whether or not the owner received the notice. The failure to mail notice to the owner of any Series 2015 Bond, or any defect in that notice, shall not affect the validity of the redemption of any other Series 2015 Bond.

*Purchase in Lieu of Redemption.* In lieu of redemption as provided in the Trust Indenture, moneys in the Bond and Interest Fund may be used and withdrawn by the Village for the purchase of outstanding Series 2015 Bonds, at public or private sale as and when, and at such prices (including brokerage and other charges) as the Village may provide, but in no event may Series 2015 Bonds be purchased at a price in excess of the principal amount of such Series 2015 Bonds, plus interest accrued to the date of purchase and any premium which would otherwise be due if such Series 2015 Bonds were to be redeemed in accordance with the Trust Indenture.

## **Book-Entry-Only System**

THE INFORMATION PROVIDED IMMEDIATELY BELOW CONCERNING DTC AND THE BOOK-ENTRY-ONLY SYSTEM, AS IT CURRENTLY EXISTS, IS BASED SOLELY ON INFORMATION PROVIDED BY DTC AND IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITER OR THE VILLAGE.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2015 Bonds. The Series 2015 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each principal maturity of the Series 2015 Bonds and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2015 Bonds, except in the event that use of the book-entry system for the Series 2015 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in

beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2015 Bonds may wish to ascertain that the nominee holding the Series 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2015 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of, premium, if any and interest on the Series 2015 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Series 2015 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2015 Bonds at any time by giving reasonable notice to the Village or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2015 Bonds are required to be printed and delivered. The Village may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2015 Bonds will be printed and delivered as described in the Indenture.

NEITHER THE VILLAGE, THE UNDERWRITER, NOR THE TRUSTEE, WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY SUCH DIRECT PARTICIPANT

OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM ON THE SERIES 2015 BONDS; (3) THE DELIVERY BY ANY SUCH DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST INDENTURE TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2015 BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

## **PLAN OF FINANCING**

### **General**

Following the bankruptcy of the Original Developer, construction of Special Services for the Special Services Areas funded in part with proceeds of the Prior Bonds was halted, leaving Phase 3 of the Clublands Subdivision substantially incomplete. With amounts received under performance bonds posted by the Original Developer, the Village was able to stabilize the Special Service Areas and complete some of the originally planned improvements. However, Phase 3 of the Clublands Subdivision remains substantially unfinished. There are no funds currently available to the Village to renew or complete the development of the Special Service Areas. See “THE DEVELOPMENTS—Background.”

Special Taxes for the lots owned by the Original Developer and recently acquired by the Developer are delinquent. See “THE SPECIAL SERVICE AREAS AND SPECIAL TAXES—Historical Special Tax Collections and Delinquencies.” Due to the delinquencies, residents of the Special Service Areas have been paying Special Taxes at maximum rates. Beginning in \_\_\_\_\_, 20\_\_, the trustee for the Prior Bonds has made draws on the debt service reserve funds established for the Prior Bonds in order to meet current debt service on the Prior Bonds. Without improved collections of Special Taxes, the debt service funds for the Prior Bonds stand to be completely depleted.

The Village has determined that for the Special Service Areas to be viable, improvements to the Special Service Areas need to be completed to attract homebuilders and homebuyers. In order to accomplish this goal, the Village and the Developer have negotiated a plan to renew and complete the public infrastructure development and certain other improvements for the Clublands Subdivision and restart sales of finished lots in the Special Service Areas. The development plan entails new construction of public improvements and community amenities for the Clublands Subdivision, permits to sell currently finished lots owned by the Developer, potential new home model offerings and elimination of delinquent Special Taxes associated with Developer-owned lots. See “THE DEVELOPMENTS—New Construction.”

The Series 2015 Bonds are being issued as part of the Village’s efforts to further renewed development and home sales within the Special Service Areas. A significant portion of the proceeds of the Series 2015 Bonds will be used to refund the Prior Bonds, allowing the Village to combine the separate financings of the Special Service Areas under a single, larger bond issue. The restructuring is expected to decrease overall debt service and reduce transaction costs and administrative expenses when compared to maintaining separate bond issues for each of the Special Service Areas. The restructuring is also expected to potentially lower long-term the Special Taxes on a per lot basis which would ease the tax burden on current homeowners and make the lots in the Special Service Areas more attractive to eventual home buyers.

## Use of Proceeds

The Village will use the proceeds of the Series 2015 Bonds to (i) refund all of the Prior Bonds; (ii) pay certain administrative expenses of the Village; (iii) fund separate debt service reserve funds for the Series 2015A Bonds and the Series 2015B Bonds; (iv) pay the insurance premium for the Series 2015A Bonds; and (v) pay the costs of issuance of the Series 2015 Bonds.

## Refunding of Prior Bonds

The Village will use \$ \_\_\_\_\_ from the proceeds of the Series 2015 Bonds and \$ \_\_\_\_\_ from amounts on deposit in certain funds held under the indentures for the Prior Bonds for the purpose of paying the redemption price of the Prior Bonds on the expected redemption date of \_\_\_\_\_, 20\_\_.

The following table below sets forth the maturity dates, interest rates, outstanding principal amounts and CUSIP numbers of the Prior Bonds.

### Prior Bonds

<u>Bonds</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Outstanding Par Amount</u>	<u>CUSIP</u>
Series 2003(Deercrest Project)	March 1, 2033	6.625%	\$ 9,712,000	037176 AA2
Series 2003(Clublands Project)	March 1, 2033	6.625	12,443,000	037177 AA0
			<u>\$22,155,000</u>	

## Payment of Administrative Expenses

The Village will make a deposit from the proceeds of the Series 2015 Bonds to the Administrative Expense Fund in an amount sufficient to pay Administrative Expenses through September 1, 2016.

## Funding of Series 2015A and Series 2015B Debt Service Reserve Funds

The Village will make deposits from the proceeds of the Series 2015 Bonds into separate reserve funds created for the purposes of paying scheduled principal and interest due on the Series 2015A Bonds and the Series 2015B Bonds in the event amounts in the Bond and Interest Fund are insufficient therefor. The actual amount of the deposits are set forth under “—Estimated Sources and Uses of Funds” below.

## Estimated Sources and Uses of Funds

The estimated sources and uses of proceeds of the Series 2015A Bonds and the Series 2015B Bonds and funds held by the trustees for the Prior Bonds is set forth below.

	Series 2015A Bonds	Series 2015B Bonds	Total
<b>Sources:</b>			
Par Amount	\$17,037,000	\$5,811,000	\$22,848,000
Bond Premium/Discount	153,267		153,267
<b>Trustee Held Funds</b>			
Bond & Interest Fund	601,668	205,218	806,886
Reserve Account	1,003,726	342,352	1,346,078
Improvement Fund	183,572	62,613	246,186
Administrative Expense Account	30,958	10,559	41,517
Total	<u>\$19,010,192</u>	<u>\$6,431,742</u>	<u>\$25,441,934</u>
<b>Uses:</b>			
Refunding of Prior Bonds	16,566,759	5,710,555	22,277,314
Debt Service Reserve Funds	1,524,640	581,100	2,105,740
Insurance Premium	484,905		484,905
Administrative Expense Fund	25,000	-	25,000
Cost of Issuance <sup>(1)</sup>	408,888	140,087	548,975
Total	<u>\$19,010,192</u>	<u>\$6,431,742</u>	<u>\$25,441,934</u>

<sup>(1)</sup> Includes bond insurance premium for the Series 2015A Bonds and Underwriter's discount.

## DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service schedule for the Series 2015 Bonds based on the maturities and interest rates of the Series 2015 Bonds when issued, assuming no redemptions other than mandatory sinking fund redemptions are made. See "THE SERIES 2015 BONDS—Redemption."

Bond Year Ending 3/1	Series 2015A Bonds			Series 2015B Bonds			Total Annual Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
2016	\$1,017,000	\$166,604	\$1,183,604	\$299,000	\$87,165	\$386,165	\$1,569,769
2017	565,000	635,905	1,200,905	163,000	330,720	493,720	1,694,625
2018	600,000	618,955	1,218,955	173,000	320,940	493,940	1,712,895
2019	636,000	600,955	1,236,955	189,000	310,560	499,560	1,736,515
2020	674,000	581,875	1,255,875	205,000	299,220	504,220	1,760,095
2021	713,000	561,655	1,274,655	223,000	286,920	509,920	1,784,575
2022	752,000	542,048	1,294,048	242,000	273,540	515,540	1,809,588
2023	794,000	519,488	1,313,488	262,000	259,020	521,020	1,834,508
2024	838,000	494,675	1,332,675	284,000	243,300	527,300	1,859,975
2025	886,000	467,440	1,353,440	306,000	226,260	532,260	1,885,700
2026	937,000	436,430	1,373,430	330,000	207,900	537,900	1,911,330
2027	1,004,000	389,580	1,393,580	356,000	188,100	544,100	1,937,680
2028	1,075,000	339,380	1,414,380	384,000	166,740	550,740	1,965,120
2029	1,150,000	285,630	1,435,630	413,000	143,700	556,700	1,992,330
2030	1,229,000	228,130	1,457,130	444,000	118,920	562,920	2,020,050
2031	1,313,000	166,680	1,479,680	477,000	92,280	569,280	2,048,960

2032	1,388,000	114,160	1,502,160	512,000	63,660	575,660	2,077,820
2033	1,466,000	58,640	1,524,640	549,000	32,940	581,940	2,106,580

## Expected Special Taxes and Debt Service Coverage

The following table sets forth the expected Special Taxes and debt service coverage for the Series 2015A Bonds.

### Debt Service Coverage Series 2015A Bonds

Bond Year Ending 3/1	Annual Debt Service Series 2015A Bonds	Administrative Fees	Adjusted Annual Debt Service	Aggregate Maximum SSA Special Tax <sup>(1)</sup>		Debt Service Coverage	
				Improved Parcels <sup>(2)</sup>	All Parcels <sup>(3)</sup>	Improved Parcels <sup>(2)</sup>	All Parcels <sup>(3)</sup>
2016	\$1,183,604	\$25,000	\$1,208,604	NA	NA	NA	NA
2017	1,200,905	25,375	1,226,280	1,472,752	2,183,078	1.20	1.78
2018	1,218,955	25,756	1,244,711	1,494,844	2,215,826	1.20	1.78
2019	1,236,955	26,142	1,263,097	1,517,268	2,249,066	1.20	1.78
2020	1,255,875	26,534	1,282,409	1,540,026	2,282,799	1.20	1.78
2021	1,274,655	26,932	1,301,587	1,563,127	2,317,044	1.20	1.78
2022	1,294,048	27,336	1,321,384	1,586,573	2,351,800	1.20	1.78
2023	1,313,488	27,746	1,341,234	1,610,375	2,387,080	1.20	1.78
2024	1,332,675	28,162	1,360,837	1,634,528	2,422,883	1.20	1.78
2025	1,353,440	28,585	1,382,025	1,659,046	2,459,224	1.20	1.78
2026	1,373,430	29,014	1,402,444	1,683,932	2,496,115	1.20	1.78
2027	1,393,580	29,449	1,423,029	1,709,190	2,533,554	1.20	1.78
2028	1,414,380	29,890	1,444,270	1,734,829	2,571,562	1.20	1.78
2029	1,435,630	30,339	1,465,969	1,760,851	2,610,132	1.20	1.78
2030	1,457,130	30,794	1,487,924	1,787,262	2,649,281	1.20	1.78
2031	1,479,680	31,256	1,510,936	1,814,073	2,689,027	1.20	1.78
2032	1,502,160	31,725	1,533,885	1,841,284	2,729,358	1.20	1.78
2033	1,524,640	32,201	1,556,841	1,868,901	2,770,296	1.20	1.78

<sup>(1)</sup> Special Taxes after payment of Trustee and administrative fees.

<sup>(2)</sup> Improved Parcels consist of lots for which Special Services have been completed and upon which are located dwelling units, occupied or unoccupied.

<sup>(3)</sup> See "THE DEVELOPMENTS—Current Status."

The following table sets forth the expected Special Taxes and debt service coverage for the Series 2015B Bonds.

**Debt Service Coverage  
Series 2015B Bonds**

<b>Bond Year Ending 3/1</b>	<b>Annual Debt Service</b>		<b>Administrative Fees</b>	<b>Adjusted Annual Debt Service</b>	<b>Aggregate Maximum SSA Special Tax<sup>(1)</sup></b>	<b>Debt Service Coverage</b>	
	<b>Series 2015A Bonds</b>	<b>Series 2015B Bonds</b>				<b>Improved Parcels<sup>(2)</sup></b>	<b>All Parcels</b>
2016	\$1,183,604	\$386,165	\$25,000	\$1,594,769	NA	NA	NA
2017	1,200,905	493,720	25,375	1,720,000	2,183,078	0.86	1.27
2018	1,218,955	493,940	25,756	1,738,651	2,215,826	0.86	1.27
2019	1,236,955	499,560	26,142	1,762,657	2,249,066	0.86	1.28
2020	1,255,875	504,220	26,534	1,786,629	2,282,799	0.86	1.28
2021	1,274,655	509,920	26,932	1,811,507	2,317,044	0.86	1.28
2022	1,294,048	515,540	27,336	1,836,924	2,351,800	0.86	1.28
2023	1,313,488	521,020	27,746	1,862,254	2,387,080	0.86	1.28
2024	1,332,675	527,300	28,162	1,888,137	2,422,883	0.87	1.28
2025	1,353,440	532,260	28,585	1,914,285	2,459,224	0.87	1.28
2026	1,373,430	537,900	29,014	1,940,344	2,496,115	0.87	1.29
2027	1,393,580	544,100	29,449	1,967,129	2,533,554	0.87	1.29
2028	1,414,380	550,740	29,890	1,995,010	2,571,562	0.87	1.29
2029	1,435,630	556,700	30,339	2,022,669	2,610,132	0.87	1.29
2030	1,457,130	562,920	30,794	2,050,844	2,649,281	0.87	1.29
2031	1,479,680	569,280	31,256	2,080,216	2,689,027	0.87	1.29
2032	1,502,160	575,660	31,725	2,109,545	2,729,358	0.87	1.29
2033	1,524,640	581,940	32,201	2,138,781	2,770,296	0.87	1.30

<sup>(1)</sup> Special Taxes after payment of Trustee and administrative fees.

<sup>(2)</sup> The Developer has estimated that, assuming payments of Special Taxes at the maximum rate per parcel, sales of an additional 130 Improved Parcels are required for the debt service coverage on the Series 2015B Bonds to reach 1.0. See “THE DEVELOPMENTS—Improved Parcels.”

## **SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2015 BONDS**

### **General**

The Series 2015 Bonds constitute limited obligations of the Village, payable solely from the Special Taxes and other moneys deposited in certain funds and accounts established pursuant to the Trust Indenture including reserve funds as detailed below. The Series 2015 Bonds do not constitute general obligations of the Village and neither the full faith and credit nor the unlimited taxing power of the Village shall be pledged as security for payment of the Series 2015 Bonds.

### **Special Taxes**

Pursuant to the Bond Ordinance, taxes upon all taxable residential real property within the Special Service Areas have been levied by the Village sufficient to pay the estimated administrative expenses of the Village for each year and discharge the principal of the Series 2015 Bonds at maturity or mandatory sinking fund redemption dates and to pay interest on the Series 2015 Bonds. The respective Special Taxes for each of the Special Service Areas are forth in the Special Tax Roll and Reports. See APPENDIX A-1 and APPENDIX A-2.

When collected, the Special Taxes and the proceeds of any redemption or sale of property in the Special Service Areas sold as the result of a foreclosure action of the lien of the Special Taxes, including any interest and penalties collected in connection with such Special Taxes, will be deposited in the Bond and Interest Fund maintained under the Trust Indenture. All prepayments of the Special Taxes and any condemnation proceeds received by the Village in connection with a condemnation of Special Services will be deposited in the Special Redemption Account established within the Bond and Interest Fund. Moneys in the Special Redemption Account will be used exclusively to redeem Series 2015 Bonds or to pay debt service on the Series 2015 Bonds as provided in the Trust Indenture. See “SPECIAL SERVICE AREAS AND SPECIAL TAXES” and “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE—Flow of Funds—Special Redemption Account.”

### **Senior Lien and Junior Lien Reserve Funds**

The Series 2015A Bonds and the Series 2015B Bonds are secured by separate and segregated reserve funds established under the Trust Indenture for the payment of principal of and interest on such series of bonds. From the proceeds of the Series 2015 Bonds (i) the Senior Lien Reserve Fund will initially be funded in an amount equal to \$ \_\_\_\_\_; and (ii) the Junior Lien Reserve Fund will initially be funded in an amount equal to \$ \_\_\_\_\_. See “PLAN OF FINANCE—Estimated Sources and Uses of Funds.” The reserve funds must be maintained in the initial amount of the deposits less any reserve fund credits specified under the Special Tax Roll and Reports. See APPENDIX B-1 and B-2 for the calculations of reserve fund credits. Amounts drawn from the Senior Lien Reserve Fund must be replenished before Special Taxes become available for the Junior Lien Bonds. See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Flow of Funds.”

### **Insurance Policy for Series 2015A Bonds**

The scheduled payment of principal of and interest on the Series 2015A Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2015A Bonds by \_\_\_\_\_. See “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE—Rights of Bond Insurance” and APPENDIX E—“SERIES 2015A BOND INSURANCE POLICY.”

## **Investment of Funds**

Moneys held in the funds and accounts established under the Trust Indenture may be invested from time to time in Qualified Investments pursuant to written directions from the Village to Trustee, provided that moneys on deposit in the Special Redemption Account shall be invested in Qualified Investments having a maturity of 180 days or less. See APPENDIX B—“TRUST INDENTURE” for the definition of “Qualified Investments.”

## **No Additional Bonds**

The Trust Indenture provides that the Village may not issue additional bonds secured by the Special Taxes other than bonds issued to refund the Series 2015 Bonds. Such refunding bonds may be issued as Senior Lien Bonds or Junior Lien Bonds at the discretion of the Village. The annual debt service on any series of refunding bonds may not exceed the debt service to be paid over the remaining duration of the refunded bonds.

## **THE SPECIAL SERVICE AREAS AND SPECIAL TAXES**

### **Authority**

Section 7(6) of Article VII of the Illinois Constitution of 1970 permits a non-home rule unit to levy or impose additional taxes upon areas within its boundaries to provide special services to those areas and to pay debt incurred in order to provide those special services in the manner provided by law. Such areas are established pursuant to the provisions of the Special Service Area Act. Under the Special Service Area Act, the corporate authorities of the municipality within which the special service area lies constitute the governing body of such special service area.

The Special Service Area Act provides that bonds may be issued to provide for the special services. Such bonds do not constitute indebtedness of the municipality in which the special service area is situated for the purpose of any limitation imposed by any law. Such bonds must be retired by a tax which may be either an ad valorem property tax, a special tax, or a combination of an ad valorem property and a special tax. A special tax may be levied or imposed on any basis that provides a rational relationship between the amount of special tax levied or imposed against each lot or parcel within the special service area and the special service benefit conferred. The Special Service Area Act further provides that the lien and foreclosure remedies provided in Article 9 of the Illinois Municipal Code shall apply on non-payment of any special tax.

Pursuant to the Special Service Area Act, if a petition objecting to the creation of a special service area, the issuance of bonds or the provision of special services, which is signed by at least 51% of the electors residing within such area and by at least 51% of the owners of record of land included within the boundaries of such area, is filed with the municipal clerk within 60 days following the formal adjournment of the public hearing, then such area may not be created.

### **Special Service Areas**

The Village adopted Ordinance No. 02-08-20 and Ordinance No. 02-08-21 proposing to establish the respective Special Service Areas on August 19, 2002. Pursuant to required notice, public hearings were held on September 9, 2002 to further consider establishment of the Special Service Areas. Special Service Area Number One was established by the Village Board upon adoption of Ordinance No. 02-09-38 on September 27, 2002, as amended by Ordinance No. 03-05-17 on May 5, 2003, and Special Service Area Number Two was established by the Village Board upon adoption of Ordinance No. 02-09-39 on

September 27, 2002, as amended by Ordinance No. 03-05-18 on May 5, 2003 (the “Establishing Ordinances”). The Establishing Ordinances authorized the Village to (i) levy and collect Special Taxes in the manner set forth in the Rate and Methods attached as exhibits to the Special Tax Roll and Reports (the “Rate and Methods”), (ii) pay principal of and interest on the Prior Bonds secured by the Special Taxes; (iii) construct the Special Services with proceeds of the Prior Bonds; and (iv) to pay administrative expenses. No petition was filed with the Village clerk objecting to the creation of the Special Service Areas, and the then current owners of the property waived their rights to file an objection petition pursuant to the Special Service Area Act. The Village filed a declaration of consent and each Establishing Ordinance for recording with the Office of the Recorder of Deeds of Lake County prior to the issuance of the Prior Bonds.

The Special Services are the public improvements constructed for the Special Service Areas, consisting of engineering, soil testing and appurtenant work, mass grading and demolition, storm water management facilities, storm drainage systems and storm sewers, site clearing and tree removal, public water facilities, sanitary sewer facilities, erosion control measures, roads, streets, curbs, gutters, street lighting, traffic controls, sidewalks, and related street improvements, and equipment and materials necessary for the maintenance thereof, landscaping, wetland mitigation, public park improvements and tree installation, costs for land and easement acquisitions relating to any of the foregoing improvements, required tap-on and related recapture fees for water or sanitary sewer services and other eligible costs of improvements to serve the Special Service Areas. When used in this Official Statement, Special Services will include the public improvements to the Special Service Areas to be constructed by the Developer. See “THE DEVELOPER—New Construction.”

### **Special Taxes**

The Special Taxes are the taxes levied by the Village on all taxable real property within the Special Service Areas for the Special Services. The Bond Ordinance abates the Special Taxes levied by the Village for the Prior Bonds and levies the Special Taxes for the Series 2015 Bonds, as described below.

The Special Taxes, including all scheduled payments and prepayments of Special Taxes received by the Village, interest thereon, and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of Special Taxes, have been pledged under the Trust Indenture to secure payment of the Series 2015 Bonds. Pursuant to the Bond Ordinance, the Village has levied the Special Taxes in the amounts set forth in the Special Tax Roll and Reports for each of the years 2015 through 2031 and will abate such taxes each year to the extent it exceeds the Special Tax requirements set forth in the Special Tax Roll and Reports as calculated by the Consultant on behalf of the Village. The Village has covenanted in the Bond Ordinance and the Trust Indenture on or before the last Tuesday of December for each of the years 2015 through 2031 to calculate or cause the Consultant to calculate the Special Tax requirement.

The Special Tax Roll and Reports set forth the provisions for calculating, apportioning and levying the Special Taxes in the Special Service Areas. The Special Tax Roll and Reports can only be amended by an ordinance of the Village. The Special Taxes are levied in the Special Service Areas each calendar year from 2015 to 2031 and will be collected each calendar year from 2016 to 2032 for payment on the Series 2015 Bonds from September 1, 2016 through the stated maturity of the Series 2015 Bonds. Funds held under the indentures for the Prior Bonds will be transferred to the Bond Trustee in order to pay principal and interest on the Series 2015 Bonds through March 1, 2016.

The levy of the Special Taxes on each lot within the Special Service Areas in any calendar year is limited by the Maximum Parcel Special Tax as determined in accordance with the Rate and Methods. The “Maximum Parcel Special Tax” is the maximum Special Tax, determined in accordance with Section

B of the Rate and Methods that can be collected by the Village in any calendar year on a Parcel. The Maximum SSA Special Taxes that can be collected in any calendar year are also set forth in the Rate and Methods. The Maximum SSA Special Taxes are the Maximum Parcel Special Taxes, determined in accordance with Sections B and C of the Rate and Methods that can be collected by the Village in any calendar year. See the table below captioned “Special Taxes” and “SPECIAL TAX ROLL AND REPORTS—Exhibit A—Rate and Method of Levying Special Taxes—C. Maximum Parcel Special Tax” in APPENDIX A-1 and A-2, respectively.

The Special Taxes are subject to optional and mandatory prepayment in accordance with the Rate and Methods, as amended by the Bond Ordinance. The prepayment provisions provide that the Special Taxes for any lot may be prepaid and the obligation of the lot to pay the Maximum Parcel Special Tax permanently satisfied, provided there are no delinquent Special Taxes with respect to such lot at the time of prepayment.

The Special Taxes can be optionally prepaid upon the payment by the owner of a lot an amount equal to the net present value of the remaining Special Taxes that have been levied for that lot less any debt service reserve fund credit, as calculated in accordance with the Rate and Methods. See “SPECIAL TAX ROLL AND REPORTS—Exhibit A—Rate and Method of Levying Special Taxes—G.2. Special Tax Bond Prepayment After First Series but Prior to Second Series” in APPENDIX A-1 and A-2, respectively. See “THE DEVELOPMENTS—Current Status” for information regarding the number of lots in the Special Service Areas for which Special Taxes have been prepaid.

The Special Taxes must be mandatorily prepaid if there has been or will be a reduction in the Maximum SSA Special Taxes as a result of an amendment to the final plat, or other event which reduces the expected number of single-family and townhome lots or dwelling units. The mandatory prepayment amount will be calculated using the prepayment formula described in the Rate and Methods. See “SPECIAL TAX ROLL AND REPORTS—Exhibit A—Rate and Method of Levying Special Taxes—H. Mandatory Special Tax Prepayment” in APPENDIX A-1 and A-2, respectively. The mandatory prepayment is due prior to any development approval, subdivision of land, conveyance, or other action that results in a reduction in the Maximum SSA Special Taxes. The mandatory prepayment will be levied against the property on which the reduction has or will occur and will have the same sale and lien priorities as are provided for regular property taxes. A mandatory prepayment of Special Taxes shall not otherwise reduce the Maximum Parcel Special Tax. The amount of any mandatory prepayment cannot exceed the sum of the principal amount of bonds to be redeemed (as determined in the Rate and Methods), bond premium, if any, accrued interest to the date of redemption of the bonds, and administrative fees.

Pursuant to the Trust Indenture, the Village covenants that to the extent necessary to enforce a mandatory prepayment of the Special Taxes on a parcel, it will adopt a supplemental levy ordinance in the event that the mandatory prepayment amount calculated pursuant to the terms of the Special Tax Roll and Reports together with the Special Taxes to be levied for the year in which the prepayment is due exceeds the Maximum Parcel Special Tax for such parcel under the Bond Ordinance.

The Developer has expressed to the Village an interest in re-platting a portion of Special Service Area Number One in order to convert 64 townhome lots to 38 single family lots. Any such re-platting would be subject to Village approval and certain other conditions. Such re-platting, if it were to occur, could result in a change of density which would require a prepayment to be made by the Developer pursuant to the Special Tax Roll and Reports. See “THE SERIES 2015 BONDS—Redemption—Special Mandatory Redemption from Optional Prepayments of Special Taxes” and “THE DEVELOPMENTS—Background.”

Although the Special Taxes will constitute a lien on lots within the Special Service Areas, they do not constitute personal indebtedness of the owners of such lots. There is no assurance that the owners of such lots (including the Developer for the lots that it owns) will be financially able to pay the annual Special Taxes or that they will pay such tax even if financially able to do so. See “RISK FACTORS—Tax Delinquencies.”

The Maximum Parcel Special Tax of the Clublands Phase 4 Property was originally calculated in proportion to its aggregate funded Special Services costs of \$8,287,294 (the “Allocated Costs”), \$1,623,653 of which was funded by the issuance of Series 2003 Clublands Project Bonds. Pursuant to agreements with the Original Developer, Special Service Area Number Two was anticipated to issue a second series of bonds to pay and provide funds for the remaining \$6,663,641 of the Allocated Costs. The Village and the Developer have agreed under the Renewed and Restated Clublands Development Agreement entered into and between the Village and BMB Associates I LLC on November 16, 2015, that the second series of bonds for the Clublands Phase 4 Property will not be issued. In the Bond Ordinance, the Village has abated by 80.41% the Maximum Annual Special Tax of the Clublands Phase 4 Property, representing the percentage of the Allocated Costs that will not be funded with bonds.

The following table sets forth certain information concerning the Special Taxes that will be levied for each of the Special Service Areas in 2015 through 2031, including the Maximum Parcel Special Tax and the Maximum SSA Special Taxes which have been levied pursuant to the Bond Ordinance, and the portion of the Maximum SSA Special Taxes attributed to lots currently owned by the Developer.

### Special Taxes

Year <sup>(1)</sup>	Deercrest <sup>(2)</sup>			Clublands <sup>(3)</sup>			Aggregate Maximum SSA Special Tax	
	Maximum Parcel Special Tax		Maximum SSA Special Tax	Maximum Parcel Special Tax		Maximum SSA Special Tax	All Parcels	Developer Parcels Only
	Single Family	Townhome		Single Family	Phase 4 Property <sup>(4)</sup>			
2015	2,102.38	1,468.04	962,889.90	2,098.22	411.08	1,220,187.80	2,183,077.70	710,325.62
2016	2,133.92	1,490.06	977,334.80	2,129.69	417.25	1,238,490.73	2,215,825.53	720,981.67
2017	2,165.93	1,512.41	991,995.17	2,161.64	423.51	1,257,070.95	2,249,066.12	731,797.74
2018	2,198.42	1,535.10	1,006,875.94	2,194.06	429.86	1,275,923.54	2,282,799.48	742,773.00
2019	2,231.39	1,558.12	1,021,975.95	2,226.98	436.31	1,295,067.83	2,317,043.78	753,916.56
2020	2,264.86	1,581.50	1,037,306.22	2,260.38	442.86	1,314,493.98	2,351,800.20	765,227.56
2021	2,298.84	1,605.22	1,052,868.20	2,294.29	449.50	1,334,212.18	2,387,080.38	776,705.32
2022	2,333.32	1,629.30	1,068,660.44	2,328.70	456.24	1,354,222.08	2,422,882.52	788,354.08
2023	2,368.32	1,653.74	1,084,690.48	2,363.63	463.08	1,374,533.52	2,459,224.00	800,177.70
2024	2,403.84	1,678.55	1,100,959.48	2,399.09	470.03	1,395,155.99	2,496,115.47	812,183.33
2025	2,439.90	1,703.72	1,117,473.82	2,435.07	477.08	1,416,080.00	2,533,553.82	824,364.12
2026	2,476.50	1,729.28	1,134,236.98	2,471.60	484.24	1,437,324.88	2,571,561.86	836,732.38
2027	2,513.65	1,755.21	1,151,250.41	2,508.67	491.50	1,458,881.14	2,610,131.55	849,280.31
2028	2,551.35	1,781.54	1,168,517.59	2,546.30	498.87	1,480,763.19	2,649,280.78	862,018.44
2029	2,589.62	1,808.27	1,186,046.06	2,584.50	506.36	1,502,980.52	2,689,026.58	874,953.42
2030	2,628.47	1,835.39	1,203,838.43	2,623.26	513.95	1,525,519.07	2,729,357.50	888,073.68
2031	2,667.89	1,862.92	1,221,893.25	2,662.61	521.66	1,548,402.74	2,770,295.99	901,395.15

Source: Special Tax Roll and Reports. See APPENDICES B-1 and B-2.

(1) Taxes to be collected in year following the levy year.

(2) Based on 377 Single Family Parcels and 116 Townhome Parcels.

(3) Based on 492 developed Single Family Parcels and 457 undeveloped Single Family Parcels (Phase IV).

### Levy, Abatement and Collection of Special Taxes

In Illinois, property taxes levied for a year are extended and become payable during the following year as provided in said levy. Pursuant to the Bond Ordinance, the Village has levied the Maximum

Parcel Special Tax for all parcels within the Special Service Areas. Pursuant to the Trust Indenture and the Special Tax Roll and Reports, the Village has covenanted that annually on or before the last Tuesday of December for each of the years 2015 through 2031 to calculate or cause the Consultant to calculate the Special Tax Requirement (as defined in the Rate and Methods); to amend the Special Tax Rolls (as defined in the Special Tax Roll and Reports) and provide the County tax collector with the amended Special Tax Rolls; to adopt an ordinance approving the amount of the current calendar year's Special Tax Requirement and abating the Special Taxes levied pursuant to the Bond Ordinance to the extent the taxes levied pursuant to the Bond Ordinance exceed the Special Tax Requirement as calculated by the Consultant pursuant to each Establishing Ordinance and the Special Tax Roll and Reports and direct the County Clerk of Lake County to extend the Special Taxes for collection on the tax books against all of the taxable real property within each Special Service Area subject to the Special Taxes in connection with other taxes levied in each of such years for general Village purposes.

The Lake County Clerk must receive the Special Tax Rolls by the last Tuesday in December. The Lake County Clerk is expected to incorporate the Special Taxes bill into the regular ad valorem property tax bill which will be payable in two equal installments. The first installment is payable on approximately the first Friday in June and the second installment is payable on approximately the first Friday in September. In the event the Lake County Clerk refuses to extend the Special Taxes for collection, the Village shall bill and collect the Special Taxes directly. On or before the last Tuesday of January for each of the years 2016 through 2032 the Village shall notify the Trustee of the amount of the Special Tax Requirement and the amount of the Special Taxes to be abated.

### **Enforcement of Payment of Special Taxes**

In Illinois, general ad valorem property taxes are levied in one year and become payable during the following year. At the end of each collection year, the Lake County Treasurer applies to the Circuit Court of Lake County, for a judgment for all unpaid general ad valorem property taxes. The Circuit Court of Lake County order resulting from that application for judgment provides for a sale of all property with unpaid general ad valorem property taxes. A public sale is held, at which time successful bidders pay the unpaid general ad valorem property taxes plus penalties. The annual tax sale is usually held during November of any given year in Lake County. Unpaid general ad valorem property taxes accrue penalties at the rate of 1-1/2% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the purchaser of the delinquent taxes on the property at the general tax sale the amount paid at the sale, plus a penalty. If redemption does not occur within two and one half years, the purchaser of the property at the tax sale can receive a deed to the property which has been sold for delinquent taxes. Any delinquent Special Taxes for any given year would be included in this general tax sale. Alternatively, as indicated above, a municipality may seek enforcement of unpaid Special Taxes through foreclosure proceedings pursuant to the Special Service Area Act. Upon making such a finding, a court having jurisdiction would enter a foreclosure decree authorizing the sale of the property subject to the lien of the Special Taxes.

If a delinquency in the payment of the Special Taxes occurs, the Village is authorized by the Special Service Area Act to order institution of an action pursuant to Article 9 of the Illinois Municipal Code (65 ILCS 5/9-1-1, *et seq.*) to foreclose any lien therefor securing the Special Taxes. In such an action, a court having jurisdiction would enter a foreclosure decree authorizing the sale of the property subject to the lien of the Special Taxes, and the real property subject to the lien of the Special Taxes would be sold at a judicial foreclosure sale. The ability of the Village to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the property owner in the event that the property is owned by any receivership of the Federal Deposit Insurance Corporation (the "FDIC"). See "RISK FACTORS - Bankruptcy" and "RISK FACTORS—Tax Delinquencies."

Such judicial foreclosure proceedings are not mandatory under the Special Service Area Act. However, in the Trust Indenture the Village has covenanted to take all actions which are necessary to provide for the levy, extension, collection and application of the taxes levied by the Bond Ordinance, including enforcement of such taxes by providing Lake County with such information as is deemed necessary to enable Lake County to include any property subject to delinquent Special Taxes in the County Collector's annual tax sale and in the event the tax lien is forfeited at such tax sale, by institution of foreclosure procedures as provided by law; provided, however, that the obligation to institute any foreclosure action against any taxpayer other than a taxpayer owning at least five percent (5%) of the property in the Special Service Areas shall only arise in the event the Village makes the determination that the proceeds from the foreclosure action have a commercially reasonable expectation of exceeding the costs thereof.

No assurances can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. See "RISK FACTORS—Potential Delay and Limitation in Foreclosure Proceedings." Article 9 of the Illinois Municipal Code provides that the municipality or its assignee may file a complaint to foreclose a special service area tax lien in the same manner that foreclosures are permitted by law in case of delinquent general taxes. The "law in case of delinquent general taxes" to which the Illinois Municipal Code refers is the Illinois Revenue Code. Under such foreclosure proceedings, the court adjudicates the existence of a default in the payment obligation and authorizes a foreclosure sale; the sale is conducted and the proceeds distributed according to the respective priorities; the successful bidder is given a certificate of sale; and, if the redemption period expires without a redemption of the special service area taxes, the certificate of sale may be converted to a deed. Although the municipality holds the lien for the local improvement and is therefore the proper party to commence foreclosure procedures, bondholders with bonds secured by special service area taxes may compel the municipality to perform its duty and use all lawful means, including foreclosure, to collect the taxes out of which the bondholders are to be paid. Special service area taxes create a lien that is superior to other liens and encumbrances (other than ad valorem real property taxes), and when general property taxes and Special Taxes are both delinquent, the proceeds of any foreclosure action, if insufficient to pay each in full, are divided between them on a *pro rata* basis. If special service area taxes are not paid in full at a foreclosure sale, and the lien amounts are bid in at such foreclosure sale, then unless the special service area taxes are then redeemed through payment of the amount of the special service area taxes plus interest, the certificate of sale can be converted into a deed to the property only after expiration of the applicable redemption period. The Illinois Constitution prescribes certain minimum redemption periods for unpaid taxes on property, including special service area taxes, but the Illinois General Assembly may create longer redemption periods. For residential property with less than seven dwelling units, the Illinois Constitution provides for a minimum two-year redemption period. The corresponding statute, however, permits the delinquent owner of such property to redeem it for two and a half years (35 ILCS 200/21-350) and to obtain, upon request, an extension of this redemption period for an additional six months (35 ILCS 200/21-385). If the property can also be considered "vacant non-farm real estate," the Constitution authorizes a reduction of the redemption period to one year, but the statute applicable to special service area taxes contains no such exception.

No assurances can be given that the real property subject to sale or foreclosure and sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent installment of special service area taxes. Neither the Special Service Area Act nor Article 9 of the Illinois Municipal Code requires the Village to purchase or otherwise acquire any lot or parcel of property offered for sale or subject to foreclosure if there is no other purchaser at such sale. Article 9 of the Illinois Municipal Code does specify that the special service area taxes will have the same lien priority in the case of delinquency as the priority of the lien of ad valorem property taxes.

If delinquencies in the payment of Special Taxes exist and debt service reserve funds are depleted, there could be a default or delay in payments to Bondowners pending the annual tax sale and/or prosecution of foreclosure proceedings and receipt by the Village of the sale and/or foreclosure sale proceeds, if any. However, within the limits of the Special Tax Roll and Reports and the Special Service Area Act, the Village may adjust the Special Taxes levied on all property within the Special Service Areas in future calendar years to provide an amount, taking into account such delinquencies, required to pay debt service on the Series 2015 Bonds and to replenish the depleted reserve funds; provided that in no event will the Special Taxes levied on any parcel exceed the Maximum Parcel Special Tax as provided in the Special Tax Roll and Reports. The amounts of the Maximum SSA Special Taxes are sufficient to pay the amounts required by the Trust Indenture to be paid on the Series 2015 Bonds (except with respect to a mandatory prepayments); however, there are no assurances that the taxes levied will always be collected in their entirety.

### Historical Special Tax Collections and Delinquencies

The following table shows the historical collections of Special Taxes and tax delinquencies for all parcels within the Special Service Areas.

#### Special Tax Collections and Delinquencies 2010 - 2014

	Collection Year				
	2010	2011	2012	2013	2014
<b>Deercrest:</b>					
Total Billed	880,605	893,814	907,221	920,829	934,642
Total Collected (Before Tax Sale)	765,121	773,101	752,402	765,355	787,993
Offered at Tax Sale	115,484	120,712	154,819	155,474	146,649
Sold at Tax Sale	8,077	11,695	14,454	12,835	2,234
Total Collected	773,198	784,796	766,856	778,191	790,227
Percent Collected	87.80%	87.80%	84.53%	84.51%	84.55%
<b>Clublands:</b>					
Total Billed	1,054,711	1,068,763	936,417	1,099,234	1,492,877
Total Collected (Before Tax Sale)	1,047,726	1,064,708	935,342	572,464	603,284
Offered at Tax Sale	6,985	4,056	1,075	526,770	889,593
Sold at Tax Sale	6,985	4,056	298	53,848	7,413
Total Collected	1,054,711	1,068,763	935,639	626,312	610,698
Percent Collected	100.00%	100.00%	99.92%	56.98%	40.91%

*Source: Collection data from the Lake County Treasurer's Office and compiled by David Taussig & Associates, Inc.*

The foregoing table includes delinquent Special Taxes on Developer-owned lots in the Special Service Areas, including for periods prior to the date the Developer acquired such lots. Delinquent Special Taxes on lots currently owned or to be acquired by the Developer will be eliminated subsequent to the issuance of the Series 2015 Bonds pursuant to an agreement between the Village and the Developer. See "THE DEVELOPMENTS—Back Taxes."

The following table provides information about tax delinquencies by homeowners, exclusive of Developer owned parcels, within the Special Service Areas.

**Delinquent Special Taxes Sold At Tax Sale  
Parcels Owned by Homeowners  
Levy Years 2009-2013**

Levy Year	# of Delinquent Parcels Prior to Tax Sale	Delinquent Special Taxes Prior to Tax Sale	# of Delinquent Parcels Sold At Tax Parcel	Delinquent Taxes Sold at Tax Sale
<b>Deercrest:</b>				
2009	3	\$ 3,270.35	3	\$3,270.35
2010	6	8,767.38	6	8,767.38
2011	8	12,458.24	8	12,458.24
2012	6	9,677.96	6	9,677.96
2013	<u>2</u>	<u>2,233.70</u>	<u>2</u>	<u>2,233.70</u>
Total	25	\$36,407.63	25	\$36,407.63
<b>Clublands:</b>				
2009	3	\$ 2,619.30	3	\$ 2,619.30
2010	4	4,055.63	4	4,055.63
2011	1	297.57	1	297.57
2012	3	2,717.04	3	2,717.04
2013	<u>4</u>	<u>7,413.44</u>	<u>4</u>	<u>7,413.44</u>
Total	15	\$17,102.98	15	\$17,102.98

*Source: Collection data from the Lake County Treasurer's Office and compiled by David Taussig & Associates, Inc.*

In the event of a delinquency in the payment of Special Taxes, no assurance can be given that the proceeds of any foreclosure sale would be sufficient to pay the delinquent Special Taxes and any other delinquent special taxes, assessments or other ad valorem taxes.

## Value to Lien Ratio

The following table sets forth the value-to-lien ratio with respect to the lots in the Special Service Areas, based on the current payoff amount as determined by the Consultant:

### Value to Lien Ratio

#### Deercrest Subdivision

	Single Family	Townhome
	<b>Improved Parcels</b>	
Average Market Value <sup>(1)</sup>	\$177,200	103,032
Current Pay-off Amount <sup>(2)</sup>	19,973	13,945
Value to Lien	8.87	7.39
	<b>Finished Parcels</b>	
Average Market Value <sup>(1)</sup>	\$32,766	\$14,646
Current Pay-off Amount <sup>(2)</sup>	19,973	13,353
Value to Lien	1.64	1.10

#### Clublands Subdivision

	Single Family	Townhome
	<b>Improved Parcels</b>	
Average Market Value <sup>(1)</sup>	\$217,950	NA
Current Lien Amount <sup>(2)</sup>	19,930	NA
Value to Lien	10.94	NA
	<b>Finished Parcels</b>	
Average Market Value <sup>(1)</sup>	\$32,500	NA
Current Lien Amount <sup>(2)</sup>	19,930	NA
Value to Lien	1.63	NA

(1) Market Value based on three times the Equalized Assessed Value for developed lots, as reported by the Lake County Tax Assessor.

(2) Special Taxes pay-off amount per the Consultant.

No assurance can be given that the foregoing ratios can or will be maintained during the period of time the Series 2015 Bonds are outstanding both because property values could drop and because other public entities, over which the Village has no control, could issue additional indebtedness secured by a lien on a parity with the lien securing payment of the Special Taxes or payable through the levy or imposition of a tax on a parity with the Special Taxes

## Representative Property Taxes

The lots in the Special Service Areas are levied general ad valorem taxes by overlapping taxing districts in addition to the Village. Set forth below, based on current rates for levy year 2014, are the taxes assessed against lots in the Special Service Areas indicating the overall tax burden on the properties.

### Combined Property Taxes

<u>Village of Antioch</u>	<u>Single Family</u>	<u>Townhome</u>
Market Value	\$220,000	\$ 105,000
Assessed Value	\$ 73,333	\$ 35,000
Multiplier	1	1
Homeowner's Exemption	\$ (3,500)	\$ (3,500)
Taxable Valuation	\$ 69,833	\$ 31,500

<u>Taxing Agency</u>	<u>Tax Rate (%)*</u>	<u>Tax Rate (%)*</u>
The Village (excluding Special Taxes)	1.128%	1.128%
Lake County	0.682	0.682
Lake County Forest Preserve District	0.210	0.210
Antioch Township	0.157	0.157
Antioch Township Road and Bridge	0.330	0.330
Antioch Township Special Road Improvement	0.000	0.000
Antioch Public Library District	0.395	0.395
School District Number 34	5.113	5.113
High School District Number 117	3.831	3.831
Community College District Number 532	0.306	0.306
Total Representative Tax Rate	<u>12.153%</u>	<u>12.153%</u>

Representative Property Tax	\$ 8,487	\$ 3,828
Estimated Special Tax	\$ 1,892	\$ 1,321

\*Source: Lake County Clerk's Office

The Village has no control over the amount of additional debt payable from taxes or assessments on all or a portion of the property within the Special Service Areas that may be issued in the future by other governmental entities or districts. Nothing prevents the owners of land within the Special Service Areas from consenting to the issuance of additional debt by other public agencies which would be secured by taxes or assessments on the same property subject to the Special Taxes. To the extent such indebtedness is payable from assessments, and other special taxes levied pursuant to the Special Service Area Act or other taxes, such assessments, special taxes and other taxes may have a lien on the property within the Special Service Areas in addition to and on a parity with the lien of the Special Taxes. See "RISK FACTORS—Overlapping Taxes and Indebtedness."

## THE DEVELOPMENTS

### Background

The Special Service Areas were established in 2002 along State Route 173 in the Village. Special Service Area Number One is a subdivision of approximately 234 acres known as the Deercrest Subdivision, originally planned for 379 Single Family Homes and 116 Townhomes. See “—Deercrest Site Plan” below. Special Service Area Number Two is a subdivision of approximately 450 acres known as the Clublands Subdivision, originally planned for 960 single family homes in four phases. The plat for Special Service Area Number Two was amended in 2006, reducing the number of single family homes to 955. See “—Clublands Site Plan” below. For information regarding the Village See APPENDIX A—“THE VILLAGE.”

The original developer of the public infrastructure improvements to the Special Service Areas was Original Developer. The Original Developer completed the Special Services for the Deercrest Subdivision and Phase 1 and Phase 2 and a portion of Phase 3 of the Clublands Subdivision with proceeds from the Prior Bonds and developer-sourced funds. The Original Developer declared bankruptcy in 2007 as a result of the economic recession and was subsequently liquidated, leaving the Clublands Subdivision with incomplete infrastructure and burdened with legal issues, bond claims and contractors’ liens.

With recoveries on surety bonds, the Village was able to complete certain of the remaining Special Services planned for Phase 3 of the Clublands Subdivision. The Village’s original plan to issue \$15,000,000 of additional special service area bonds on a parity with the Series 2003 Clublands Project Bonds to pay for Special Services for Phase 4 of the Clublands Subdivision was never completed and Special Services for Phase 4 were never constructed. Pursuant to the Bond Ordinance and Trust Indenture, the Village can no longer issue any bonds for the development of Phase 4 of the Clublands Subdivision.

The banks providing the initial development loans to the Original Developer acquired title to the Original Developer-owned lots in the Special Service Areas in the bankruptcy proceedings. In December 2012, after several subsequent transfers involving financial institutions, title to the properties in the Deercrest Subdivision was acquired by Antioch Land Trust, LLC, a company formed by Mr. Mertz. In September 2014, Mr. Mertz and affiliates purchased all of the outstanding equity interests in BMB Associates I, LLC, the bank-designee holding title to the Clublands Subdivision properties. See “—Developer” below.

### Current Status

The residential lots in the Developments are in various stages of development, including: (i) Parcels (defined below) for which final plats have been recorded and Special Services have been completed and upon which are located dwelling units, occupied or unoccupied (“Improved Parcels”); (ii) vacant Parcels for which final plats have been recorded and Special Services have been completed (“Finished Parcels”); (iii) vacant Parcels for which final plats have been recorded and Special Services have not been completed (“Unfinished Parcels”); and (iv) Parcels for which final plats have not been recorded (“Unplatted Lots”). As used above, “Parcels” refer to residential lots within the boundaries of the Special Service Areas assigned a permanent index number by the office of the County Assessor.

The current status of the residential lots in the Developments, the number of lots for which the Special Services have been prepaid, the number of lots owned by the Developer and the number of lots owned by residential homeowners (referred to below as “Net Taxpayers”) are as follows:

### Deercrest Subdivision

Type	Single Family	Townhomes
Improved Parcels	364	36
Finished Parcels	15	80
Unfinished Parcels	-	-
Unplatted Lots	-	-
Total	379	116
Prepaid Special Taxes	2	-
Developer Owned	-	80
Net Taxpayers	377	36
Total	379	116

### Clublands Subdivision

Type	Phase 1 and 2	Phase 3	Phase 4	Total
Improved Parcels	180	140	-	320
Finished Parcels	15	162	-	177
Unfinished Parcels	-	-	110	110
Unplatted Lots	-	-	347	347
Total	195	302	457	954
Prepaid Special Taxes	5	1	-	6
Developer Owned	15	163	457	635
Net Taxpayers	175	139	-	314
Total	195	303	457	955

### New Construction

The Developer plans to complete the remaining required improvements for Phase 3 of the Clublands Subdivision in stages, which include storm sewer and detention pond improvements, connections to existing water and sewer lines and other utilities, and the improvement and installation of roads. The initial development involves the installation of storm water improvement for a portion of Phase 3 at an estimated cost of \$750,000. The second stage of development covers roadway improvements of another portion of Phase 3 at an estimated cost of \$385,000 and the construction of a clubhouse for the Clublands Subdivision at an estimated cost of \$1.25 million. The Developer is currently in discussions with the Clublands Homeowners Association as to the timing for the clubhouse. These first two stages of development will result in 121 Finished Parcels within Phase 3 that would be available for sale to homebuilders and home buyers, which is in addition to the currently existing 56 Finished Parcels.

Based upon the number of Developer-owned lots in Phase 1, 2 and 3 of the Clublands Subdivision, construction of additional finished lot inventory in Phase 3 is expected to occur approximately three years from the completion and grand opening of the first model home under the Developer's development plan. The Developer has no immediate plans to construct Phase 4 of the Clublands Subdivision. Development of Phase 4 is not likely to proceed until the Developer has sold all or nearly all of the lots it owns in Phase 3 of the Clublands Subdivision unless such development is warranted earlier due to homebuilder demand. Based on an Engineering Report dated March 8, 2013 from Manhard Consulting, the Developer estimates the cost of the improvements needed for Phase 4 to be approximately \$4.7 million.

The Village and the Developer will enter into a Renewed and Restated Clublands Development Agreement dated as the date of issuance of the Series 2015 Bonds (the “Clublands Development Agreement”), with respect to the Clublands Subdivision. Under the Clublands Development Agreement, the Developer will resume development consistent with the original Clublands development agreement and the recorded covenants, conditions and restrictions of record, except as noted below:

(i) The Village has agreed to issue up to 56 building permits to the Developer for single family home construction in Clublands on lots not considered contributory to the Miller Road stormwater drainage system provided the Developer pays the fees and costs relating thereto. Prior to issuance of the 57th building permit to Developer in Clublands (or any building permits thereafter), and in any event prior to the issuance of a building permit on any lot considered contributory to the Miller Road stormwater drainage system, the Developer is required to construct the Miller Road storm sewer improvements and associated detention pond improvements. The estimated cost of the stormwater drainage system is \$750,000.

(ii) With respect to storm sewer improvements, the Developer will pursue appropriate easement rights to enable a gravity storm sewer. In the event such easement rights are not attainable, the Developer may provide the required storm sewer capacity by installation of a system utilizing a lift station.

(iii) The Village has agreed to review the scale of the clubhouse facilities Developer is obligated to construct for residents of the Clublands Subdivision under the original development agreement. Based upon prior discussions with the Clublands Homeowner’s Association, the estimated contribution of Developer to the clubhouse facilities would be \$1.25 million. The Developer is currently in discussions with the Clublands Homeowner’s Association to finalize agreement as to the timing of when this contribution will be due from Developer.

(iv) The Developer, together with homebuilders that Developer may contract with, will bring specific architectural plans to the Village for approval prior to construction. To the extent such plans do not substantially conflict with any plans approved under Ordinance No. 02-09-32 dated September 16, 2002 (the “PUD Ordinance”), the Village will approve such plans. To the extent such plans do substantially conflict with plans approved under the PUD Ordinance, the Developer and/or homebuilder may request modifications to the PUD Ordinance with regard to such plans and the Village agrees it will entertain such revisions pursuant to the Village’s normal process for amending the PUD Ordinance.

(v) Prior to undertaking development work for Phase 3, Developer shall post performance bonds as required by the Village’s Building Code, Subdivision Ordinance, and Watershed Development Ordinance to cover performance and installation of public and quasi-public improvements. Such bonds shall be subject to review and approval as to form and content by the Village, including the examination and approval of the contracts for the construction of the improvements in questions.

(vi) Developer shall prepare and complete engineering plans and final plat documents for Phase 4 prior to any development. If these plans are not in substantial compliance with, and as conceived in, the PUD Ordinance (as may be amended) including the final plat of subdivision and final engineering plans approved by the Village for Phase 4, then Developer may petition to amend the PUD Ordinance to incorporate a more commercially marketable product.

(vii) Pursuant to resolution adopted by the Village on November 16, 2015, the Village will authorize Lake County, as trustee for the taxing bodies affecting the Special Service Areas, to transfer tax certificates held by Lake County within the Special Service Areas to the Village in

return for a payment by ALT and BMB in such amount as Lake County may require. Upon the issuance of the Series 2015 Bonds, the Village will transfer all such tax certificates to ALT with regard to Deercrest and BMB with regard to Clublands. Thereafter, ALT and BMB will surrender such tax certificates to Lake County as soon as reasonably possible in order to eliminate all prior tax obligations relating thereto, provided however that ALT and BMB may elect to hold such tax certificates if ALT or BMB, as applicable, reasonably determines that doing so will allow it to remove other liens or encumbrances of record which would negatively affect its development of the property subject to such tax certificate(s) and further provided that ALT or BMB, as applicable, will surrender such tax certificates (or otherwise eliminate any prior tax obligations relating thereto) as soon as reasonably possible after it determines holding such tax certificates is no longer necessary.

The Developer has proposed a potential re-plat within the Deercrest Subdivision in order to convert 64 townhome lots to 38 single family lots, subject to Village approval and certain other conditions. The Developer believes single family lots will be more attractive to homebuilders and homebuyers. There is no timetable for the proposal, and no assurance can be provided if or when any such re-platting might occur.

### **Development Financing**

All of the proceeds of the Prior Bonds have been spent on construction of the Special Services for the Special Service Areas by the Original Developer. Recoveries on performance bonds posted by the Original Developer have been spent by the Village on improvements and maintenance of the Special Service Areas. Any further recoveries on performance bonds will not be available for further development. There are no sources of funds available to complete improvements to the Special Service Areas other than the funds committed by the Developer. The Village has no responsibility for, and has made no commitment toward financing the Special Service Areas. The bonds originally contemplated for Phase 4 of the Clublands Subdivision can no longer be issued.

The financing for the remaining required public improvements for Phase 3 of the Clublands Subdivision will be the sole responsibility of the Developer. The Developer has not secured permanent financing for the cost of the Special Services to be constructed for the Clublands Subdivision. The Developer plans to develop the Clublands Subdivision in stages, rather than as a whole, as and when funds are available from the sale of Developer's inventory of Finished Parcels. The Developer currently has 56 Finished Parcels in inventory for sale in the Clublands Subdivision with an additional 121 Finished Parcels available after the installation of the stormwater drainage system. The Developer anticipates developing 111 Finished Parcels as and when needed to satisfy builder demand. Based on anticipated absorption these Finished Parcels may not be developed to satisfy builder demand for 4-6 years. Given that such development would occur in response to builder demand, no assurance can be given that the Developer will achieve the timetable.

The Developer expects to sell off its Finished Parcel inventory to residential home builders or other home buyers. The Developer could also sell Unfinished Parcels or Unplatted Lots to other developers or home builders, which would not require the Developer to otherwise secure development funds for all or portions for the site improvements, but would require other developers or homebuilders to complete the site improvements.

Developer has been in discussions with several homebuilders regarding lots within the Special Service Areas. Developer currently has a letter of intent from NVR Ryan Homes whereby NVR Ryan Homes has proposed to purchase up to 177 fully improved lots in Clublands and 38 fully improved single family lots in Deercrest at a price escalating from \$35,000 per lot for a period of two years. The baseline absorption suggested by NVR Ryan Homes in the letter of intent would be 4 lots per quarter over the first

two years of construction. The Village is currently reviewing plans for three distinct product types to be constructed by NVR Ryan Homes.

The ability of the Special Service Areas to generate Special Taxes from non-Developer owned lots sufficient to pay debt service on the Series 2015 Bonds will depend largely upon the Developer's ability to (i) obtain the necessary funds to complete the remaining improvements required for the Clublands Subdivision, and (ii) sell the finished lot inventory in the Clublands Subdivision to home builders. See "RISK FACTORS—Concentration of Ownership" and "—Completion of Construction."

### **Back Taxes**

Lake County, Illinois currently holds tax lien certificates as trustee for the taxing bodies for a majority of the Developer-owned lots within the Special Service Areas. Prior to closing on the Series 2015 Bonds, the Developer will provide funding to Lake County sufficient to allow Lake County to transfer such tax lien certificates to the Village. The Developer also will, to the extent applicable, redeem, or negotiate settlements with regard to any tax certificates held by tax purchasers other than Lake County who seek to foreclose their tax certificates with regard to Developer-owned lots. Upon closing on the Series 2015 Bonds, the Village will transfer ownership of the tax lien certificates to the Developer. Thereafter the Developer will contact the Lake County Clerk to have the tax lien certificates affecting Developer-owned lots marked as satisfied, thus eliminating any unpaid tax burden for years prior to 2015.

### **No Recent Home Sales**

There have been no recent sales of finished or unfinished lots or dwelling units in either Special Service Area.

### **Sewer**

Wastewater treatment is provided to the Special Service Areas by the treatment plant that serves Lake County's Northeast Sewerage System. The plant, known as the Mill Creek Treatment Plant, has an initial rated capacity of one million gallons per day (gpd). Approximately 400,000 gpd currently flows through the plant; approximately 500,000 gpd of capacity has been permitted by the Illinois Environmental Protection Agency, leaving approximately 500,000 gpd of capacity, which is sufficient to serve the Special Services Areas, including the 347 homes to be constructed in Phase 4 of the Clublands Subdivision. Pursuant to the Ordinance Establishing the Northeast Lake FPA Special Service Area (the "County SSA"), Lake County is required, if necessary, to expand the Mill Creek Treatment Plant to a capacity sufficient to serve the original parcels in the County SSA, which include the Special Service Areas.

### **Water**

Potable water to the Special Service Areas is supplied by the Village's public water system.

### **Other Utilities**

The cable television franchise in this region is Mediacom. Nicor, Verizon and ComEd provide gas, telephone, and electrical service, respectively, to the Special Service Areas.

### **Access**

Main access for the Special Service Areas are from Savage Road extending north of Route 173.

## **Flood Plain/Wetlands**

The wetlands on the Special Service Areas are included in the open space area. The wetlands are maintained as open space. No homes will be constructed within the flood plain area.

## **Environmental Review**

Nova Consulting Group, Inc. (“Nova”) conducted a Phase I Environmental Site Assessment of a portion of the Special Service Areas dated November 15, 1999. Terracon Consultants, Inc. (“Terracon”) conducted a Phase I Environmental Site Assessment of the balance of the Special Service Areas dated January 15, 2003. Information available to Nova and Terracon indicated that the Special Service Areas had been used only for cultivation of crops and other agricultural purposes since at least 1939, and no information was obtained to suggest any alternate uses of the Special Service Areas. No recognized environmental conditions were identified in connection with the Special Service Areas. Nova and Terracon each concluded that their respective Phase I Environmental Site Assessments revealed no evidence of recognized environmental conditions in connection with the Area. No additional environmental review has been conducted with the respect to the Special Service Areas since 2003.

## **The Developer**

BMB Associates 1, LLC (“BMB”), a Delaware limited liability company that owns the Deercrest Subdivision, and Antioch Land Trust, LLC (“ALT”), a Delaware limited liability company, that owns the Clublands Subdivision, are managed by Troy Mertz. The assets of BMB and ALT are generally limited to the lots in the respective Special Service Areas. See “RISK FACTORS—Concentration of Ownership.”

Mr. Mertz serves as the Chief Financial Officer of Delaware Trust & Lending which focuses on acquiring idle legacy assets resulting from the recent real estate recession and leverages those resources such as pre-approved land, sewer system recapture agreements, water system agreements & roads into productive cash producing projects with an emphasis on capital formation, municipal entitlements, profit forecasting, and risk management.

Mr. Mertz is also a member and the manager of Gilberts Development, LLC, a special purpose entity that currently owns and is developing a 1,134 acre mixed-use residential project in Gilberts, Illinois, consisting of 985 single family homes and 62 acres of zoned mixed-use commercial property. Gilberts Development, LLC is responsible for constructing improvements to fully finish 299 single family residential lots which have been sold to NVR Ryan Homes for roughly \$20,000,000.

Mr. Mertz also manages Chicago Oak Tree Investments, LLC, an owner of Algonquin Meadows, LLC & Creeks Crossing, LLC, which are special purpose entities that own and develop land in Algonquin, Illinois, consisting of 255 single family and townhome units.

Prior to his activity in real estate development, Mr. Mertz spent several years as an options trader, broker and market maker as a member of the Chicago Mercantile Exchange.

**Deercrest Site Plan**

[To be provided]

**Clublands Site Plan**

[To be provided]

## SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

*Set forth below is a brief description of the certain provisions of the Trust Indenture. Such description does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the complete form of the Trust Indenture, which is included as APPENDIX B to this Official Statement.*

### **Flow of Funds**

The Trust Indenture creates and establishes with the Trustee the following funds and accounts: (i) the Bond and Interest Fund, including principal and interest accounts for each series of Series 2015 Bonds, and the Special Redemption Account; (ii) debt service reserve funds for the Series 2015 Bonds; and (iii) the Administrative Expense Fund, including the Costs of Issuance Account; and (iv) the Rebate Fund.

*Bond and Interest Fund.* Special Taxes, and proceeds of any redemption or sale of property in the Special Service Area sold as the result of a foreclosure action of the lien of the Special Taxes, including interest and penalties, will be deposited in the Bond and Interest Fund. The Village may provide for the County to transmit directly to the Trustee for deposit to the Bond and Interest Fund any Special Taxes collected by the County. Amounts deposited in the respective principal and interest accounts for each series of Series 2015 Bonds are pledged to and will be used solely for the purpose of paying the principal of and interest and redemption premium on the related series.

At any time on or before September 1 of each year, the Trustee shall determine the amount needed in order to pay one-half of the budgeted Administrative Expenses for such year and transfer such amount to the Administrative Expense Fund. The Trustee will then determine the amount needed to pay interest on the Series 2015 Bonds on the next succeeding Interest Payment Date. On or before each such September 1, the Trustee shall first transfer to the Senior Lien Principal and Interest Account the amount needed to pay interest due on the Senior Lien Bonds on such September 1. After making such deposits, the Trustee shall then transfer to the Junior Lien Principal and Interest Account the amount needed to pay interest due on the Junior Lien Bonds on September 1.

At any time after September 1 but in no event later than December 1 of each year, the Trustee shall transfer the remainder of the budgeted Administrative Expenses for such year (not exceeding \$\_\_\_\_\_ annually) to the Administrative Expenses Fund. The Trustee shall thereafter first transfer to the Senior Lien Principal and Interest Account the amount needed to pay principal of and interest and redemption premium on the Senior Lien Bonds on the next succeeding Interest Payment Date and the amount necessary to fund the Senior Lien Reserve Fund to an amount equal to the Senior Lien Reserve Requirement. After making such deposit, the Trustee shall next transfer to the Junior Lien Principal and Interest Account the amount needed to pay principal of and interest and redemption premium on the Junior Lien Bonds on the next succeeding Interest Payment Date. After the Trustee has determined that sufficient or insufficient amounts are on deposit to pay principal of, interest on and redemption premium due on the Series 2015 Bonds on the next succeeding Interest Payment Date, any excess amounts on deposit in the Bond and Interest Fund shall first be transferred to the Senior Lien Reserve Fund to the extent necessary to fund the Senior Lien Reserve Fund equal to the Senior Lien Reserve Fund Requirement, and second, to be transferred to the Junior Lien Reserve Fund to the extent necessary to fund the Junior Lien Reserve Fund equal to the Junior Lien Reserve Fund Requirement, and thereafter any remaining excess shall be retained in the Bond and Interest Fund and applied to pay principal and interest coming due on the next succeeding Interest Payment Date in the priority described above. In the event there are excess funds, at the written direction of the Village, the Trustee shall transfer an amount from the Bond and Interest Fund to the Administrative Expense Fund which the Village has determined

will be adequate, together with other amounts in the Administrative Expense Fund or reasonably expected to be transferred to or deposited in such Fund, to establish a cash flow reserve for Administrative Expenses incurred during the succeeding calendar year before the first receipt of Special Taxes.

*Special Redemption Account.* All prepayments of the Special Taxes made in accordance with the Special Tax Roll and Reports and condemnation proceeds received by the Village in connection with a condemnation of Special Services will be deposited in the Special Redemption Account and applied to the optional or mandatory redemption of the Series 2015 Bonds. In the event of any prepayment of the Special Taxes, the Trustee will also transfer from the Senior Lien Reserve Fund and the Junior Lien Reserve Fund to the Special Redemption Account an amount equal to the Reserve Fund Credit, if available, upon the direction of the Consultant in accordance with the Special Tax Roll and Reports. When the amount on deposit in the Special Redemption Account equals or exceeds \$1,000, such amount shall be used to redeem Series 2015 Bonds on the next March 1, June 1, September 1 or December 1 in accordance with the optional or mandatory redemption provisions of the Trust Indenture, as applicable.

*Senior Lien Reserve Fund.* The Senior Lien Reserve Fund will initially be funded in an amount equal to \$ \_\_\_\_\_ and thereafter from Special Taxes in the amount necessary to meet the Senior Lien Reserve Requirement. Amounts deposited in the Senior Lien Reserve Fund will be used to pay the principal of, including mandatory sinking fund payments, and interest and any premium on, all Senior Lien Bonds when due in the event that moneys in the Senior Lien Principal and Interest Account are insufficient therefor. Moneys in the Senior Lien Reserve Fund in excess of the Senior Lien Reserve Requirement will be transferred by the Trustee to the Senior Lien Principal and Interest Account to be used for the payment of interest on Senior Lien Bonds on the next following Interest Payment Date.

*Junior Lien Reserve Fund.* The Junior Lien Reserve Fund will initially be funded in an amount equal to \$ \_\_\_\_\_ and thereafter from Special Taxes in the amount necessary to meet the Junior Lien Reserve Requirement. Amounts deposited in the Junior Lien Reserve Fund will be used to pay the principal of, including mandatory sinking fund payments, and interest and any premium on, all Junior Lien Bonds when due in the event that moneys in the Junior Lien Principal and Interest Account are insufficient therefor. Moneys in the Junior Lien Reserve Fund in excess of the Junior Lien Reserve Requirement will be transferred by the Trustee to the Junior Lien Principal and Interest Account to be used for the payment of interest on Junior Lien Bonds on the next following Interest Payment Date.

*Administrative Expense Fund; Costs of Issuance Account.* Amounts in the Administrative Expense Fund will be used to pay Administrative Expenses. Amounts deposited into the Costs of Issuance Account will be used solely for the purpose of paying costs incurred in connection with the issuance of the Series 2015 Bonds. Amounts in the Administrative Expense Fund are not pledged to the repayment of the Series 2015 Bonds.

*Rebate Fund.* There will be deposited to the Rebate Fund as necessary investment earnings in the Bond and Interest Fund, the Senior Lien Reserve Account and the Junior Lien Reserve Fund to the extent required so as to maintain the tax exempt status of interest on the Series 2015 Bonds. All rebates, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) will be payable from the Rebate Fund. Amounts in the Rebate Fund are not pledged to the repayment of the Series 2015 Bonds.

## **Covenants of the Village**

The Village covenants with the holders of the Series 2015 Bonds in the Trust Indenture that the Village will:

(a) take all actions to provide for the levy, extension, collection and application of the Special Taxes;

(b) not take any action which would adversely affect the levy, extension, collection and application of the Special Taxes, except to abate those taxes to the extent permitted by the Trust Indenture and the Special Tax Roll and Reports; and

(c) comply with all requirements of the Special Service Area Act, the Bond Ordinance, the Trust Indenture and other applicable present and future laws concerning the levy, extension and collection of the Special Taxes in order to pay the principal of and interest on the Series 2015 Bonds as they come due and replenish the debt service reserve funds for each Series of 2015 Bonds, including the enforcement of any delinquent Special Taxes.

### **Events of Defaults and Remedies**

“Events of Default” under the Trust Indenture are as follows:

(a) Default in the payment of the principal of or premium, if any, on any Series 2015 Bond when and as the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise.

(b) Default in the payment of any installment of interest on any Series 2015 Bond when and as such installment of interest shall become due and payable.

(c) The Village (1) commences a voluntary case under the Federal bankruptcy laws or any other applicable Federal or state bankruptcy, insolvency or other similar law, (2) makes an assignment for the benefit of its creditors, (3) consents to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (4) is adjudicated a bankrupt or has entered against it any order for relief in respect of any involuntary case under the Federal bankruptcy laws or any other applicable Federal or state bankruptcy, insolvency or other similar law and such order shall continue in effect for a period of 60 days without stay or vacation.

(d) A court of competent jurisdiction enters an order, judgment or decree appointing a receiver of the Village, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the Village under the Federal bankruptcy laws or any other applicable Federal or state law or statute and such order, judgment or decree is not vacated or set aside or stayed within 60 days from the date of the entry thereof.

(e) Under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assume custody or control of the Village or of the whole or any substantial part of its property, and such custody or control is not terminated or stayed within 60 days from the date of assumption of such custody or control.

(f) The Village defaults in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Series 2015 Bonds, the Bond Ordinance or in the Trust Indenture, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied has been given to the Village by the Trustee (which may give such notice whenever it reasonably determines that such a default exists and shall give such notice at the written request of the holders of not less than 25% in principal amount of the Series 2015 Bonds then outstanding).

Upon the occurrence of an Event of Default the Trustee may, and upon the written request of the holders of a majority in principal amount of the outstanding Series 2015 Bonds and upon being indemnified as provided in the Trust Indenture shall, proceed to protect and enforce its rights and the rights of the holders of the Series 2015 Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effective to protect and enforce the rights aforesaid.

During the continuance of an Event of Default, all moneys received by the Trustee under the Trust Indenture from the Village or from any other source will be applied by the Trustee in accordance with the terms under “—Application of Moneys After Default” below.

Any judgment against the Village shall be enforceable only against the amounts pledged pursuant to the Trust Indenture. There shall not be authorized any deficiency judgment against any assets of, or the general credit of, the Village.

The Series 2015 Bonds shall not be subject to acceleration upon the occurrence of an Event of Default.

### **Right of Bondholders to Control Proceedings**

Subject to the provisions in the Indenture relating to the right of Series 2015 Bondholders to institute suit, the holders of a majority in principal amount of the Series 2015 Bonds then outstanding shall have the right to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Indenture in respect of the Series 2015 Bonds; provided that the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby, provided however that in the event of a payment default as to only the Junior Lien Bonds, so long as payment on the Senior Lien Bonds have been made in full, a majority of the holders of Bonds that are subject to a payment default, shall have the right to direct remedial proceedings of the Trustee under the Indenture, without the consent of the holders of the Senior Lien Bond. See “Cash Rights of Bond Insurer” below.

### **Application of Moneys After Default**

If an Event of Default happens and is not remedied, the Trustee will apply moneys, securities and funds on deposit in the funds and accounts (other than amounts held in the debt service reserve funds which shall be applied solely at the written direction of a majority of the owners of the applicable series), or received by the Trustee in the following order:

(a) To the payment of the reasonable and proper charges, expenses and liabilities of the Trustee, the Bond Registrar and any paying agent, including the fees and expenses of outside counsel for the Trustee, the Bond Registrar and any paying agent and the payment of Administrative Expenses owed to the Village or the Consultant.

(b) To the payment of the principal and interest then due on the Series 2015 Bonds as follows:

(i) (A) first, to the payment of interest then due and owing on the Senior Lien Bonds, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment;

(B) second, to the payment of the unpaid principal of any of the Senior Lien Bonds which shall have become due and owing (other than Senior Lien Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Trust Indenture), in the order of their due dates, with interest upon such Senior Lien Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Senior Lien Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date

(C) third, to the payment of the Redemption Price of any Senior Lien Bonds called for redemption pursuant to the provisions of the Trust Indenture;

(D) fourth, to the payment of all installments of interest then due and owing on the Junior Lien Bonds, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment;

(E) fifth, to the payment of the unpaid principal of any of the Junior Lien Bonds which shall have become due and owing (other than Junior Lien Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Trust Indenture), in the order of their due dates, with interest upon such Junior Lien Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Junior Lien Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date; and

(F) sixth, to the payment of the Redemption Price of any Junior Lien Bonds called for redemption pursuant to the provisions of the Trust Indenture.

### **Supplemental Indentures**

The Village and the Trustee from time to time and at any time, subject to the conditions and restrictions in the Trust Indenture, may pass and accept an indenture or indentures supplemental to the Trust Indenture for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Indenture;
- (b) To grant or to confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee;
- (c) To subject to the Indenture additional taxes, revenues, properties or collateral;
- (d) To modify, amend or supplement the Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Series 2015 Bonds for sale under the securities laws of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said laws;

(e) To add to the covenants and agreements of the Village in the Indenture contained, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Village; and

(f) To issue refunding bonds subject to the limitations set forth in the Indenture, the Special Tax Roll and Reports and each Establishing Ordinance.

Any supplemental indenture authorized by the foregoing provisions may be executed by the Village, by the Corporate Authorities, and by the Trustee without the consent of the registered owners of any of the bonds at the time outstanding, but only upon receipt of an opinion of bond counsel if requested pursuant to the applicable provisions of the Trust Indenture.

With the consent of the registered owners of not less than a majority in aggregate principal amount of the bonds, at the time outstanding, but only upon receipt of an opinion of bond counsel if requested pursuant to the provisions of the Trust Indenture, the Village may pass, and the Trustee may accept from time to time and at any time an indenture or indentures supplemental to the Trust Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Trust Indenture or of any supplemental indenture; provided that no such modification or amendment shall extend the maturity or reduce the principal of or the interest rate on or otherwise alter or impair the obligation of the Village to pay the principal, interest or redemption premium, if any, at the time and place and at the rate and in the currency provided therein of any bond without the express consent of the registered owner of such bond or permit the creation of a preference or priority of any bond or bonds over any other bond or bonds, or reduce the percentage of bonds, respectively, required for the affirmative vote or written consent to an amendment or modification, or deprive the registered owners of the bonds (except as aforesaid) of the right to payment of the bonds, from the Special Taxes and the Foreclosure Proceeds without the consent of the registered owners of all the bonds (as the case may be) then outstanding.

### **Defeasance**

Series 2015 Bonds or interest installments for the payment or redemption of which moneys have been set aside and held in trust by the Trustee (through deposit by the Village of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof will be deemed to have been paid within the meaning and with the effect expressed in the Trust Indenture.

Any Outstanding Series 2015 Bonds will, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the Trust Indenture if:

(i) in case any of said Series 2015 Bonds are to be redeemed on any date prior to their maturity, the Village shall have given to the Trustee irrevocable instructions accepted in writing by the Trustee to give notice of redemption of such Series 2015 Bonds on said date;

(ii) there has been deposited with the Trustee either moneys in an amount which will be sufficient or Defeasance Securities, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient, to pay when due the principal or redemption price, if applicable, and interest due and to become due on said Series 2015 Bonds on or prior to the redemption date or maturity date thereof, as the case may be; and

(iii) in the event said Series 2015 Bonds do not mature, are not by their terms subject to redemption or, under the plan of refunding applicable thereto, are not to be redeemed, in each case, within the next succeeding ninety (90) days, the Village will have given the Trustee in form

satisfactory to it (A) irrevocable instructions to give, as soon as practicable, by first-class mail, postage prepaid, to the owners of such Series 2015 Bonds at their last addresses appearing on the books of the Village kept at the office of the Bond Registrar a notice that the deposit required above has been made with the Trustee and that said Series 2015 Bonds are deemed to have been paid and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Series 2015 Bonds and (B) a verification report by a verifier acceptable to the Village in form and substance satisfactory to Village that verifies the sufficiency of the funds and/or securities deposited with the Trustee for the payment, when due, of the principal or redemption price, if applicable, and interest due and to become due on said Series 2015 Bonds on or prior to the redemption date or maturity date thereof, as the case may be.

### **Resignation or Removal of Trustee**

The Trustee may at any time resign by giving written notice to the Village and the Bondholders. Upon receiving such notice of resignation, the Village shall promptly appoint a successor Trustee. If no successor Trustee shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, or any Bondholder who has been a bona fide holder of a Bond or Series 2015 Bonds for at least six months may, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

If the Trustee ceases to be eligible to serve as trustee or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property is appointed, or any public officer takes charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Village will remove the Trustee and appoint a successor Trustee or any Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

The holders of a majority in aggregate principal amount of all the Series 2015 Bonds at the time outstanding may at any time upon 30 days notice, remove the Trustee and appoint a successor. Such successor Trustee shall be a corporation authorized under applicable laws to exercise corporate trust powers, may be incorporated under the laws of the United States or of any State within the United States and must satisfy the minimum combined capital, surplus and undivided profits requirement set forth the Trust Indenture.

### **Rights of Bond Insurer**

[To be provided]

### **RISK FACTORS**

*Investment in the Series 2015 Bonds involves risks which may not be appropriate for certain investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth in this Official Statement, in evaluating the Series 2015 Bonds. This discussion does not purport to be comprehensive or definitive. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the Special Service Areas to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability to make full and punctual payments of debt service on the Series 2015 Bonds.*

## **Limited Source of Funds**

The Series 2015 Bonds, together with the interest thereon, are limited obligations of the Village, payable solely from the Special Taxes and the amounts on deposit in the various funds and accounts established and maintained under the Trust Indenture, all as more fully set forth therein. The Series 2015 Bonds are not general obligations of the Village and do not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation. No holder of the Series 2015 Bonds has the right to compel the exercise of any taxing power of the Village for payment of principal thereof or interest or premium, if any, thereon (other than the levy of the Special Taxes as provided in the Bond Ordinance and the Trust Indenture). See “SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2015 BONDS—General” herein.

## **Concentration of Ownership**

Significant portions of the Special Service Areas, particularly the Clublands Subdivision, are currently owned by the Developer. See “THE DEVELOPMENTS—Current Status.” The Developer intends to sell the properties it owns in the Special Service Areas to home builders or real estate companies. Until such transfers occur, the timely payment of the Series 2015 Bonds depends, in part, on the willingness and ability of the Developer to pay the Special Taxes on the properties it owns. The Developer has a limited source of funds. No financial information regarding the Developer has been included in this Official Statement. A failure by the Developer to make payments of Special Taxes for the property it owns in the Special Service Areas could result in insufficient Special Taxes needed to pay debt service on the Series 2015 Bonds. In that event, there could be a default in payments of the principal and interest on the Series 2015 Bonds. In the event of such non-payment, the enforcement remedies to collect Special Taxes are limited to tax foreclosure proceedings against the Developer-owned lots. See “SPECIAL SERVICE AREAS AND SPECIAL TAXES—Enforcement of Payment of Special Taxes.”

## **Construction Risk**

The construction of required improvements for Phase 3 of the Clublands Subdivision must be completed before a significant number of Developer-owned lots are ready for sale. There can be no assurance that the Developer will not encounter delays or factors that could prohibit construction of the improvements on a timely basis or at all in order for the lots owned by the Developer to be readied for sale. If construction is delayed or never completed, the Developer may be unable to sell lots for home construction. In such event, the Developer will remain liable for the Special Taxes on the lots it owns and timely payment of the Series 2015 Bonds will depend, in part, on the willingness and ability of the Developer to pay Special Taxes. See “THE DEVELOPMENTS—New Construction.”

## **Limited Assets of Developer**

The assets of the Developer are primarily comprised of the lots owned by the Developer in the Special Service Areas. The Developer currently plans to finance the payment of Special Taxes for Developer-owned lots and the construction of public improvements for the Clublands Subdivision from the sale proceeds of its finished lot inventory. See “THE DEVELOPMENTS—Development Financing.” If the Developer is unable to sell its finished lots or sells its finished lots at prices that are insufficient to generate the funds needed to pay Special Taxes or to pay complete construction of the public improvements in the Clublands Subdivision, the Special Taxes may become delinquent and the Developer may be unable to otherwise complete construction. No reliance should be placed on Mr. Troy Mertz or his affiliates to provide or arrange the financing needed by the Developer to pay Special Taxes or complete construction of the public improvements. No financial information regarding the Developer or Mr. Mertz has been included in this Official Statement.

## **No Capitalized Interest on the Series 2015 Bonds**

No portion of the proceeds of the Series 2015 Bonds will be used to pay interest on the Series 2015 Bonds for any period of time. Payment of the principal of and interest on the Series 2015 Bonds when due will be made solely from the Special Taxes collected and deposited with the Trustee and other funds held under the Trust Indenture. Payment of the Series 2015 Bonds will be dependent on the Developer paying the Special Taxes on Developer-owned lots beginning in 2016 and prior to any potential sales of finished inventory or completion of the public improvements for Phase 3 of the Clublands Subdivision.

## **Bankruptcy of Developer; Performance Bond**

The insolvency or bankruptcy of the Developer could result in the termination or delay of completion of the planned improvements for the Special Service Areas and/or the ability of the Developer to pay Special Taxes. If the Developer were to become bankrupt, remedies against the Developer-owned lots could be delayed by the automatic stay imposed under bankruptcy law.

The Developer is required to provide performance bonds under the Development Agreement as required by the Village's building code, subdivision ordinance and watershed development ordinance. See "THE DEVELOPMENTS—New Construction." There can be no assurance that the amount of such bonds, to the extent required, will be sufficient to assure completion of the improvements on a timely basis or within the original cost estimates, or to otherwise cover the costs secured by such bonds.

## **Competition**

There are currently no housing subdivisions or significant number of buildable vacant lots within the boundaries of the Village other than the Special Service Areas. However, the areas surrounding the Village provide subdivision and homebuilding alternatives that are competitive with the Special Service Areas. Competing housing subdivisions or buildable lots may not be within a special service area, and therefore may not have the additional special tax burden, or could have more attractive pricing, locations or amenities, compared to the Special Service Areas. This competition could have an adverse impact on the ability of the Developer to sell lots in the Special Service Areas.

## **Dependence on Unimproved Property**

Payment of the Series 2015 Bonds will be partially dependent at least for a number of years upon receipt of Special Taxes imposed on lots not improved with single family homes or townhomes. Lots not improved with single family homes or townhomes are less valuable than improved lots and provide less security for the Series 2015 Bonds should it be necessary for the Village to foreclose on such lots due to the nonpayment of Special Taxes. As a result, payment of the Series 2015 Bonds is dependent in large measure on the ability of the Developer to engage homebuilders that are successful in building and selling single family homes or townhomes in the Special Service Areas, particularly Clublands.

## **Local, State and Federal Regulations**

There can be no assurance that construction of the remaining required improvements within the Special Service Areas will not be adversely affected by government regulations regarding land use or development. State and federal regulatory agencies have significantly expanded their involvement in local land use matters through increased regulatory enforcement of various environmental laws, including the Endangered Species Act, the Clean Water Act and the Clean Air Act, among others. Bondowners should assume that any event that significantly impairs further development in the Special Service Areas

could cause the property values within the Special Service Areas to decrease substantially and could affect the willingness and ability of the owners of the property to pay the Special Taxes when due.

### **Overlapping Taxes and Indebtedness**

The lots within the Special Service Areas are subject to taxes and assessments from other public agencies and taxing bodies other than the Village for the Special Taxes. See “THE SPECIAL SERVICE AREAS AND SPECIAL TAXES—Representative Property Taxes.” The Village has no control over the amount of such taxes or assessments levied or the additional debt issued in the future by other governmental entities or districts that could burden all or a portion of the property within the Special Service Areas. The taxes and assessments of such overlapping taxing districts may have a lien on the property within the Special Service Areas in addition to and on a parity with the lien of the Special Taxes. Taxes on the property within the Special Service Areas could increase without any corresponding increase in the value of the property within the Special Service Areas and thereby increase the ratio of taxes to property value. The imposition of additional taxes and liens may reduce the ability or willingness of the landowners to pay the Special Taxes and increases the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes. Moreover, in the event of a delinquency in the payment of Special Taxes, no assurance can be given that the proceeds of any foreclosure sale would be sufficient to pay the delinquent Special Taxes and any other delinquent taxes or assessments.

### **Tax Delinquencies**

In order to pay debt service on the Series 2015 Bonds, it is necessary that the Special Taxes within the Special Service Areas be paid in a timely manner. Under provisions of the Special Service Area Act, the Special Taxes are customarily billed to the property owners within the Special Service Areas on the regular general ad valorem property tax bills sent to owners of such properties or on a Special Taxes bill delivered at the same time as the regular ad valorem property tax bills. Such Special Taxes installments are due and payable, and bear the same penalties and interest for non-payment, as general ad valorem property tax installments. The unwillingness or inability of a property owner to pay ad valorem property tax bills as evidenced by general ad valorem tax delinquencies may also indicate an unwillingness or inability to payment of the Special Taxes in the future. If the property owners fail to pay the Special Taxes when due there could be significant Special Tax delinquencies.

Also, the Lake County Collector may determine not to include the Special Taxes on their regular ad valorem property tax bills in the future. In that event, the responsibility to bill and collect Special Taxes would become the Village’s responsibility under the Special Tax Roll and Reports. If the Village, and not Lake County, is billing and collecting the Special Taxes, the Special Taxes will not be billed on the regular ad valorem tax bills, potentially making the failure to timely receive the Special Taxes payments more likely. See “THE SPECIAL SERVICE AREAS AND SPECIAL TAXES—Enforcement of Payment of Special Taxes” for a discussion of the provisions which apply, and procedures which the Village is obligated to follow in the event of delinquencies in the payment of Special Taxes. See also “—Potential Delay and Limitation in Foreclosure Proceedings” and “—Bankruptcy” below for a discussion of limitations on the Village’s ability to foreclose the lien of delinquent unpaid Special Taxes in certain circumstances.

### **Potential Delay and Limitations in Foreclosure Proceedings**

The payment of Special Taxes and the ability of the Village to foreclose the lien of delinquent unpaid Special Taxes may be limited by bankruptcy, insolvency and other laws generally affecting creditors’ rights or by the laws of the State relating to judicial foreclosure. See “RISK FACTORS—Bankruptcy.” Potential investors should be aware that judicial foreclosure proceedings are not summary remedies and can be subject to significant procedural and other delays caused by crowded court calendars

and other factors beyond the control of the Village. In addition, the Illinois Constitution prescribes certain minimum redemption periods, which may be as long as three years, in the event of foreclosure. See “THE SPECIAL SERVICE AREAS AND SPECIAL TAXES—Enforcement of Payment of Special Taxes.” It should be assumed that, under current conditions, it is estimated that a judicial foreclosure of the lien of the Special Taxes could take several years from initiation of litigation to the lien foreclosure sale.

Delays and uncertainties in the Special Taxes lien foreclosure process create significant risks for Bondowners. High rates of Special Taxes payment delinquencies which continue during the pendency of protracted Special Taxes lien foreclosure proceedings, could result in a default in payments of the principal of, and interest on, the Series 2015 Bonds.

### **Bankruptcy**

The various legal opinions to be delivered concurrently with the delivery of the Series 2015 Bonds (including Bond Counsel’s approving legal opinions) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although a bankruptcy proceeding would not cause Special Taxes to become extinguished, the amount and priority of any special tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by a bankruptcy court having jurisdiction. In addition, bankruptcy of a property owner could result in a delay in commencement and completion of foreclosure proceedings and the completion of a sale of the delinquent Special Taxes. Such delay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the Series 2015 Bonds and the possibility of delinquent tax Special Tax installments not being paid in full.

### **Maximum SSA Special Taxes**

Pursuant to the Bond Ordinance, the Village has levied the Special Taxes in the maximum amounts permitted by the Special Tax Roll and Reports. However, there is no assurance that the maximum amounts collected will at all times be sufficient to pay the amounts required to be paid by the Trust Indenture.

### **Disclosure to Future Purchasers**

The Village has recorded each Establishing Ordinance and the Declaration of Consent for the property included in the Special Service Areas in the Office of the Recorder of Deeds of Lake County. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such special tax obligation in the purchase of residential units or the lending of money thereon. Failure to disclose the existence of the Special Taxes may affect the willingness and ability of future owners of land within the Special Service Areas to pay the Special Taxes when due. There is currently no requirement that initial purchasers of lots in the Special Service Areas be provided notice disclosing the existence of the Special Taxes.

### **Junior Lien Bonds**

The Junior Lien Bonds are subordinate in their claim to payment from the Special Taxes to all Senior Lien Bonds issued under the Trust Indenture. The anticipated amount of Special Taxes from the number of currently improved lots not owned by the Developer will not be sufficient to pay debt service

in full on the Junior Lien Bonds. See “DEBT SERVICE REQUIREMENTS.” As a consequence, payment of debt service on the Junior Lien Bonds is wholly dependent on the ability and willingness of the Developer to pay the Special Taxes on the lots it owns in the Special Service Areas and to complete construction of the planned improvements to facilitate sales of finished lots to homebuilders and home buyers.

In addition, the Policy does not guarantee the payment of principal of or interest on the Series 2015B Bonds. Purchases of the Series 2015B Bonds should only be made by investors that can withstand the risk of loss of all or part of such investment.

### **Ratings**

The Series 2015A Bonds will be rated based solely upon the Policy. The Series 2015B Bonds will not be rated. See “RATINGS.” Any change in the credit rating of the bond insurer will likely affect the rating on the Series 2015A Bonds. A downward change in the rating of the bond insurer and/or the Series 2015A Bonds could lead to a decrease in the market value and liquidity of the Series 2015A Bonds.

### **Limitation on Remedies; No Acceleration**

Remedies available to holders of the Series 2015 Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Series 2015 Bonds, or to preserve the tax-exempt status of the Series 2015 Bonds. Additionally, the Series 2015 Bonds are not subject to acceleration in the event of the breach of any covenant or duty under the Trust Indenture, including payment default. Lack of remedies may entail risks of delay, limitation, or modification of the rights of the holders of the Series 2015 Bonds. Judicial remedies, such as foreclosure and enforcement of covenants, are subject to exercise of judicial discretion.

### **Secondary Market and Prices**

The Underwriter presently does not intend to engage in secondary market trading of the Series 2015 Bonds. The Underwriter is not obligated to engage in secondary trading or to repurchase any of the Series 2015 Bonds at the request of the Owners thereof. There can be no guarantee that there will be a secondary market for the Series 2015 Bonds or, if a secondary market exists, that the Series 2015 Bonds can be sold for any particular price. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating in the case of the Series 2015B Bonds, or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. In addition, prices of issues for which a market is being made will depend on then prevailing circumstances. Such prices could substantially differ from the original purchase price.

### **Loss of Tax Exemption**

Interest on the Series 2015 Bonds could become includible in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2015 Bonds as a result of a failure of the Village to comply with certain provisions of the Code. Should such an event of taxability occur, the Series 2015 Bonds are not subject to early redemption and will remain outstanding to maturity or until redeemed under the optional redemption or mandatory redemption provisions of the Trust Indenture.

## **Risk of Legislative and Judicial Changes**

Future legislation, regulations, governmental or judicial interpretation of regulations or legislation or practices and procedures related to property tax assessment, levy, collections or distribution could have a material effect on the calculation or availability of the Special Taxes. There is no assurance that legislation will not be considered or enacted in the future, and unless provision is made in such legislation for special service areas generally in Illinois, the generation of the Special Taxes could be materially adversely affected.

## **Continuing Disclosure**

The Village will enter into a continuing disclosure agreement for the benefit of the Series 2015 Bondholders. See “THE UNDERTAKING.” Certain of the information the Village has agreed to provide comes from the Developer. No assurance can be given that the Developer will provide such information to the Village on a timely basis or at all in order for the Village to meet its continuing disclosure obligations.

## **Information Not Verified**

Information concerning the Special Service Areas and the proposed development thereof has been obtained from the Village, the Consultant and other sources believed to be reliable, but much of that information involves predictions of future events, such as property sales and the ability of homeowners and other property owners to pay their share of the Special Taxes. Such information is, by its nature, not subject to verification.

## **RATINGS**

The Series 2015A Series Bonds are rated “\_\_\_” by Standard & Poor’s Financial Services LLC contingent upon issuance of the Policy by \_\_\_\_\_. See APPENDIX E—“SERIES 2015A BOND INSURANCE POLICY.”

The Village has not made, and does not currently contemplate making, an application to any rating agency for the assignment of a rating to Series 2015B Bonds.

## **UNDERWRITING**

The Underwriter, William Blair & Company, has agreed to purchase from the Village for reoffering the Series 2015A Bonds at a purchase price equal to \$\_\_\_\_\_, which reflects a bond premium/discount of \$\_\_\_\_\_ and an Underwriter’s discount of \$\_\_\_\_\_, and the Series 2015B Bonds at a purchase price of \$\_\_\_\_\_, which reflects a bond premium/discount of \$\_\_\_\_\_ and an Underwriter’s discount of \$\_\_\_\_\_.

Under the bond purchase agreement for the Series 2015 Bonds between the Village and the Underwriter (the “Bond Purchase Agreement”), the Underwriter is obligated to purchase all of the Series 2015 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain conditions set forth in the Bond Purchase Agreement. The Underwriter may change the prices and other terms with respect to the offer and sale of the Series 2015 Bonds from time to time after the Series 2015 Bonds are released for sale, and the Series 2015 Bonds may be offered and sold at prices other than the initial offering price set forth on the inside cover page of this Official Statement, including sales to dealers.

The Series 2015B Bonds are being issued in authorized denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof and are being offered to less than thirty-five (35) sophisticated institutional investors.

Each prospective purchaser of the Series 2015A Bonds or the Series 2015B Bonds is hereby offered the opportunity, prior to purchasing any Series 2015A Bonds or Series 2015B Bonds and at any time the Series 2015A Bonds or Series 2015B Bonds are outstanding, to ask questions of, and receive answers from the Underwriter and the Village concerning the terms and conditions of the offering, and to obtain any additional relevant information, to the extent either possesses the same or can acquire it without unreasonable effort or expense. Inquiries concerning additional information should be directed in writing to the Underwriter at William Blair & Company, 222 West Adams Street, Chicago, Illinois 60606, Attention: Municipal Bond Department.

### **MUNICIPAL ADVISOR**

The Village has retained Robert W. Baird & Co. to act as its municipal advisor (the “Municipal Advisor”) in connection with the offering of the Series 2015 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is a “municipal advisor” as defined in Rule 15Ba1-1 of the Commission.

### **LEGAL OPINIONS**

Legal matters incident to the authorization, issuance and sale of the Series 2015 Bonds are subject to the approving legal opinions of Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois, Bond Counsel. The proposed forms of the opinions of Bond Counsel are included herein as APPENDIX C. Certain legal matters will be passed upon for the Underwriter by its counsel, Duane Morris LLP, Chicago, Illinois, and for the Village, by its counsel, Daniels, Long & Pinsel, LLC, Waukegan, Illinois. Chapman and Cutler LLP, Chicago, Illinois (“Chapman”), has been retained by the Village to serve as Disclosure Counsel to the Village with respect to the Series 2015 Bonds. Although as Disclosure Counsel to the Village, Chapman and Cutler has assisted the Village with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of this Official Statement or other offering material related to the Series 2015 Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler’s engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the Village, to assist it in discharging its responsibility with respect to the Official Statement, and not for the benefit of any other person (including any person purchasing Series 2015 Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Series 2015 Bonds for investment by any investor.

### **TAX MATTERS**

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, the interest on the Series 2015 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that with respect to corporations (as defined for federal income tax purposes) such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Bond

Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Series 2015 Bonds and the interest thereon.

The opinion on federal tax matters is based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Village contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Series 2015 Bonds are and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. The Village has covenanted to take the actions required of it for the interest on the Series 2015 Bonds to be and to remain excludable from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinion assumes the accuracy of the Village's certifications and representations and the continuing compliance with the Village's covenants. Noncompliance with these covenants by the Village may cause the interest on the Series 2015 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2015 Bonds. After the date of issuance of the Series 2015 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2015 Bonds or the market prices of the Series 2015 Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to the excludability of interest on the Series 2015 Bonds from gross income for federal income tax purposes but is not a guarantee of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986, as amended (the "Code"), the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Series 2015 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2015 Bonds. Bond Counsel will express no opinion regarding any such consequences.

### **Tax Treatment of Accruals on Original Issue Discount Bonds**

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Series 2015 Bond is less than the stated redemption price of such Series 2015 Bond at maturity, then such Series 2015 Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Series 2015 Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering

prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

### **Amortizable Bond Premium**

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Series 2015 Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Series 2015 Bonds (collectively, the “Original Premium Bonds”) an amortizable bond premium. Series 2015 Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer’s basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the “Premium Bonds”). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer’s yield to maturity determined by using the taxpayer’s basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer’s adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

### **Market Discount**

The “market discount rules” of the Code apply to the Series 2015 Bonds. Accordingly, holders acquiring their Series 2015 Bonds subsequent to the initial issuance of the Series 2015 Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

### **Information Reports and Backup Withholding**

Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Series 2015 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Series 2015 Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2015 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding

would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

### **Future Developments**

Bond Counsel's engagement with respect to the Series 2015 Bonds ends with the issuance of the Series 2015 Bonds and, unless separately engaged, bond counsel is not obligated to defend the Village in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2015 Bonds, under current IRS procedures, the IRS will treat the Village as the taxpayer and the beneficial owners of the Series 2015 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS WHICH COULD CAUSE THE INTEREST ON THE SERIES 2015 BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE SERIES 2015 BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. BOND COUNSEL EXPRESSES NO OPINION REGARDING ANY PENDING OR PROPOSED FEDERAL TAX LEGISLATION.

FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY ACTIONS OF THE INTERNAL REVENUE SERVICE, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE SERIES 2015 BONDS FOR AUDIT EXAMINATION, OR THE COURSE OR RESULT OF ANY EXAMINATION OF THE SERIES 2015 BONDS, OR OTHER SERIES 2015 BONDS WHICH PRESENT SIMILAR TAX ISSUES, WILL NOT AFFECT THE MARKET PRICE OF THE SERIES 2015 BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2015 BONDS, INCLUDING THE IMPACT OF ANY PENDING OR PROPOSED FEDERAL TAX LEGISLATION.

### **CONTINUING DISCLOSURE**

The Village has entered into a Continuing Disclosure Agreement (the "Undertaking") with The Bank of New York Mellon Trust Company, N.A., as dissemination agent (the "Dissemination Agent"), for the benefit of the beneficial owners of the Series 2015 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under "THE UNDERTAKING." The form of the Undertaking is set forth on APPENDIX D—"Continuing Disclosure Agreement."

The Village failed to file its (i) audited financial statements for fiscal years ended April 30, 2010, April 30, 2011 and April 30, 2012 for its outstanding Taxable General Obligation Bonds (Utility Tax Alternate Revenue Source), Series 2010 and (ii) audited financial statements and operating data for the fiscal years ended April 30, 2008, April 30, 2009, April 30, 2010, April 30, 2011 and April 30, 2012 for its outstanding Waterworks and Sewerage Revenue Bonds, Series 2004 within the time periods specified

in prior continuing disclosure undertakings. As of the date of this Official Statement, the Village has filed such audited financial statements and operating data. The Village has established procedures to ensure that such audited financial statements and operating data will be filed in a timely manner in the future.

A failure by the Village to comply with the Undertaking will not constitute a default under the Trust Indenture, and beneficial owners of the Series 2015 Bonds are limited to the remedies described in the Undertaking. See “THE UNDERTAKING—Consequences of Failure of the Village to Provide Information.” A failure by the Village to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2015 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2015 Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

## **THE UNDERTAKING**

*The following is a statement of the provisions of the Undertaking of the Village and is qualified in its entirety by reference to the Undertaking, a copy of which is attached hereto as APPENDIX D—“CONTINUING DISCLOSURE AGREEMENT.”*

### **Annual Financial Information Disclosure**

The Village covenants that it will, or cause the Dissemination Agent to, disseminate its Financial Information and its Audited Financial Statements, if any (as described below) to the MSRB through its Electronic Municipal Market Access System (“EMMA”) in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the SEC at the time of delivery of such information. The Village is required to deliver such Audited Financial Statements not more than 210 days after the last day of the Village’s fiscal year, which is April 30 of each calendar year; provided that if Audited Financial Statements are not available by such time, then unaudited financial statements shall be filed by such time and Audited Financial Statements shall be filed when available. The Village is also required to deliver those items set forth below as the Annual Financial Information (exclusive of Audited Financial Statements) by the dates set forth below.

“*Financial Information*” means (a) statements and tables in this Official Statement contained under the captions “THE SPECIAL SERVICE AREA AND SPECIAL TAXES—Value to Lien Ratio” “—Representative Property Taxes” and “—Historical Special Tax Collections and Delinquencies” submitted no later than March 1 of each year; (b) the SSA administration report prepared by the Consultant showing the Special Taxes received, all disbursements from the funds and accounts administered by the Trust Indenture, including the balances in all funds and accounts relating to the Series 2015 Bonds as of the end of such fiscal year, the collection of taxes, delinquencies, tax sales and foreclosures, and the number of building permits issued, submitted no later than March 1 of each year (the information set forth in (a) and (b) being the “Annual Financial Information”); (c) reports setting forth any delinquencies in the payment of the Special Taxes as of July 1 and October 1 of each year, submitted within 30 days after each such date; and (d) to the extent received by the Village under the Redevelopment Agreement, quarterly statements setting forth the information required to be delivered by the Developer to the Village and Trustee under the Redevelopment Agreement, including total lot sales by Developer of single-family homes and townhomes in each of the Special Service Areas, which will be submitted to EMMA within 30 days after the Village’s receipt of such information.

“*Audited Financial Statements*” means the general purpose financial statements of the Village prepared in accordance with generally accepted auditing standards and “Government Auditing Standards” issued by the Comptroller of the United States.

### **Reportable Events Disclosure**

The Village covenants that it will disseminate in a timely manner, not in excess of ten business days, to the MSRB the disclosure of the occurrence of a Reportable Event (defined below). Certain Reportable Events are required to be disclosed only to the extent that such Reportable Event is material, as materiality is interpreted under the Exchange Act. The “Reportable Events,” certain of which may not be applicable to the Series 2015 Bonds, are:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, notices of proposed issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Series 2015 Bonds;
- (g) modifications to rights of security holders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the securities, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Village (considered to have occurred in the following instances: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if the jurisdiction of the Village has been assumed by leaving the Mayor and Village Board of Trustees and the Village’s officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village);
- (m) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

### **Consequence of Failure of the Village To Provide Information**

The Village shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the Village to comply with any provision of the Undertaking, the beneficial owner of any Series 2015A Bond or Series 2015B Bond may seek mandamus or specific performance by court order to cause the Village to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance or the Trust Indenture, and the sole remedy under the Undertaking in the event of any failure of the Village to comply with the Undertaking shall be an action to compel performance.

### **Amendment; Waiver**

Notwithstanding any other provision of the Undertaking, the Village by resolution or ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

- (a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a “no-action” letter issued by the SEC, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or
- (ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Series 2015 Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel).

In the event that the SEC or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

### **Termination of Undertaking**

The Undertaking, and the obligations of the Dissemination Agent thereunder, shall be terminated if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Series 2015 Bonds under the Bond Ordinance and the Trust Indenture or legal defeasance of the Series 2015 Bonds. The Village shall, or cause the Dissemination Agent to, give notice to the MSRB through EMMA in a timely manner if this paragraph is applicable.

## **Additional Information**

Nothing in the Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the Village chooses to include any information from any document or notice of occurrence of a material Event in addition to that which is specifically required by the Undertaking, the Village shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

## **Dissemination of Information; Dissemination Agent**

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through EMMA for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Village has initially appointed The Bank of New York Mellon Trust Company, N.A. to serve as the Dissemination Agent.

## **Duties of Dissemination Agent**

The Dissemination Agent shall have only such duties as are specifically set forth in the Undertaking.

## **NO LITIGATION**

### **Village**

At the time of delivery of and payment for the Series 2015 Bonds, the Village will certify that (i) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the Village or, to the knowledge of the Village, threatened against the Village, to restrain or enjoin, or threatening or seeking to restrain or enjoin, the issuance, sale or delivery of the Series 2015 Bonds or the delivery by the Village of any of the Bond Ordinance, the Establishing Ordinances, the Trust Indenture, the Tax Agreements, this Official Statement, the Continuing Disclosure Agreement, the Consulting Agreement and all other agreements and certificates executed and delivered in connection with the issuance and sale of the Series 2015 Bonds (the Ancillary Documents”), or the collection of the Special Taxes, or in any way contesting or affecting the validity of the Series 2015 Bonds, or any of the Ancillary Documents to which the Village is a party, or in any way questioning or affecting (w) the proceedings under which the Series 2015 Bonds are to be issued, (x) the validity or enforceability of any provision of the Series 2015 Bonds or any of the Ancillary Documents, (y) the authority of the Village to collect the Special Taxes, or to perform its obligations under the Bond Purchase Agreement or with respect to the Series 2015 Bonds, or to consummate any of the transactions set forth in the Ancillary Documents to which it is or is to be a party as contemplated by the Bond Purchase Agreement or by the Bond Ordinance, the Trust Indenture, or this Official Statement, (z) the legal existence of the Village, or the title of the Village President, Trustees or officers to their offices, and (ii) there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the Village or, to the knowledge of the Village, threatened against the Village, involving any of the property or assets within

the Village which may result in any material adverse change in the Trust Estate created under the Trust Indenture, assets or the financial condition of the Village or the proposed construction of the Special Services by the Developer pursuant to the Redevelopment Agreement.

### **Developer**

At the time of delivery of and payment for the Series 2015 Bonds, the Developer will certify that there is no material action, suit, proceeding or investigation, at law or in equity, before or by any court or any governmental agency or public board or body, pending against the Developer, in which the Developer is a party or, to the knowledge of the Developer, threatened against the Developer (i) contesting or in any way relating to (a) the construction and development by the Developer of the Special Services for the Special Service Areas described in this Official Statement, (b) the generation of the Special Taxes and the moneys and funds pledged to the payment of the Series 2015 Bonds pursuant to the Bond Ordinance and Trust Indenture or the transactions contemplated by the issuance of the Series 2015 Bonds or as otherwise described in the Official Statement; or (ii) which in any way contests the existence or power of the Developer or the validity or enforceability of the Redevelopment Agreement or the Bond Purchase Agreement or which if adversely determined could have a material adverse effect on the Developer.

### **MISCELLANEOUS**

The references, excerpts, and summaries of documents and statutes contained in this Official Statement do not purport to be complete statements of the provisions of such documents and statutes, and reference is made to all such documents and statutes for full and complete statements of their terms and provisions.

The estimates, assumptions, statistical and financial information, and all other information contained in this Official Statement have been compiled from official and other sources believed to be reliable; however, none of such estimates, assumptions, or information is guaranteed by the Village, the Consultant, or the Underwriter as to completeness or accuracy.

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, is set forth as such and not as a representation of fact; no representation is made that any of the estimates contained herein will be realized. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any offer or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Village or the Special Service Areas since the date hereof.

### **AUTHORIZATION**

The Village has authorized the execution and distribution of this Official Statement.

[SIGNATURE FOLLOWS]

**VILLAGE OF ANTIOCH  
LAKE COUNTY, ILLINOIS**

By: \_\_\_\_\_  
Its: Mayor

## APPENDIX A

### THE VILLAGE OF ANTIOCH, ILLINOIS (For Informational Purposes Only\*)

#### General

The Village of Antioch is located approximately 58 miles northwest of downtown Chicago and encompasses approximately 14 square miles of which the Special Service Areas comprise approximately \_\_\_%. The Village was incorporated in 1876 and is located in Antioch Township. The Village is located near Interstate 94, which provides access to Chicago and the Northern Suburbs. The population changes of the Village, Lake County and the State of Illinois since 1980 are indicated in the chart below.

#### Population

	1980	1990	2000	2010	2013 (estimate)
Antioch	4,419	6,105	8,788	14,430	14,354
Lake County	440,372	516,418	644,356	703,462	702,099
State of Illinois	11,426,518	11,430,602	12,419,293	12,830,632	12,848,554

Source: U.S. Census Bureau

#### Economic Information

The changes in median family income and median home values in the Village, Lake County and Illinois since 1990 are set forth below.

#### Median Family Income

	1990	2000	2010	2014
Antioch	\$41,895	\$56,481	\$98,426	\$96,924
Lake County	52,308	76,424	91,693	92,116
State of Illinois	38,664	55,545	68,236	70,344

Source: U.S. Census Bureau

#### Median Home Values

	1990	2000	2010	2013
Antioch	\$104,400	\$166,400	\$264,700	\$212,300
Lake County	136,700	198,200	287,300	254,800
State of Illinois	80,900	130,800	202,500	182,300

Source: U.S. Census Bureau.

\*The Series 2015 Bonds are limited obligations of the Village payable from the Special Taxes and amounts on deposit in certain of the funds established and maintained pursuant to the Trust Indenture, as more fully described in this Official Statement. The Series 2015 Bonds are not general obligations of the Village and neither the full faith and credit nor the general taxing power of the Village, Lake County, the State of Illinois, or any political subdivision thereof is pledged to the payment of the Series 2015 Bonds. No holder of any Series 2015 Bond shall have the right to compel the exercise of any taxing power of the Village (other than the levy of the Special Taxes as described herein) for payment of the principal amount of, or interest on, the Series 2015 Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2015 BONDS."

The following table sets forth the Village’s equalized assessed valuation (“EAV”) and estimated market value for the tax levy years 2010 through 2014.

**Property Valuation**

<b>Levy Year</b>	<b>Collection Year</b>	<b>Fiscal Year</b>	<b>EAV</b>	<b>Estimated Market Value</b>	<b>Percent Change</b>
2010	2011	2012	\$404,560,318	\$1,213,680,954	(3.31)%
2011	2012	2013	362,019,491	1,086,058,473	(10.52)
2012	2013	2014	340,310,596	1,020,931,788	(6.00)
2013	2014	2015	316,431,616	949,294,848	(7.02)
2014	2015	2016	306,748,414	920,245,242	(3.06)
Per Capita 2014 EAV <sup>(1)</sup> .....					\$21,272.43
Per Capita 2014 Estimated Market Value <sup>(1)</sup> .....					\$63,817.28

Source: Lake County Clerk’s Office.

<sup>(1)</sup> Based on the Village’s 2010 census population of 14,420.

The following table sets forth the Village’s EAV by use for tax levy years 2010 through 2014. In the 2014 levy year, 81.16% of the Village’s EAV was residential, 15.59% was commercial and 2.88% was industrial.

**Equalized Assessed Valuation by Use**

<b>Classification</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Residential .....	\$331,662,495	\$294,554,345	\$274,780,264	\$254,554,595	\$248,951,540
Commercial .....	60,813,364	55,846,289	54,279,716	51,268,198	47,835,214
Industrial .....	10,812,113	10,431,310	10,186,559	9,549,144	8,837,672
Farm .....	608,147	571,863	662,386	644,665	638,009
Railroad .....	664,199	615,684	401,671	415,014	485,979
Total .....	<u>\$404,560,318</u>	<u>\$362,019,491</u>	<u>\$340,310,596</u>	<u>\$316,431,616</u>	<u>\$306,748,414</u>

Source: Lake County Clerk’s Office.

The Village's property tax rates expressed as a dollar for each \$100 of EAV, for tax levy years 2010 through 2014 are provided in the table below.

**Direct Property Tax Rates Per \$100 Equalized Assessed Valuation**

<b>Fund</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Audit .....	\$0.004	\$0.005	\$0.005	\$0.006	\$0.005
Civil Defense/ES&DA..	0.000	0.000	0.000	0.001	0.001
Bonds .....	0.097	0.113	0.028	0.000	0.000
Corporate .....	0.323	0.369	0.426	0.438	0.433
Emergency .....	0.001	0.001	0.001	0.000	0.000
Fire Protection .....	0.064	0.072	0.077	0.088	0.095
IMRF .....	0.053	0.059	0.054	0.061	0.066
Police Pension.....	0.178	0.205	0.232	0.271	0.306
Police Protection.....	0.064	0.072	0.077	0.088	0.095
Social Security .....	0.071	0.079	0.075	0.085	0.085
Tort .....	<u>0.028</u>	<u>0.031</u>	<u>0.033</u>	<u>0.039</u>	<u>0.042</u>
Total .....	<u>\$0.883</u>	<u>\$1.006</u>	<u>\$1.008</u>	<u>\$1.077</u>	<u>\$1.128</u>

Source: Lake County Clerk's Office.

The following table sets forth the representative tax rates of residential single family units in the Village from 2010 through 2014.

**Representative Tax Rates per \$100 Equalized Assessed Valuation**

<b>Taxing Body</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
The Village	\$0.883	\$1.006	\$1.008	\$1.077	\$1.128
Lake County	0.505	0.554	0.608	0.663	0.682
Lake County Forest Preserve District	0.198	0.201	0.212	0.218	0.210
Antioch Township	0.122	0.137	0.142	0.155	0.157
Antioch Township Road and Bridge	0.075	0.069	0.068	0.078	0.330
Antioch Township Special Road Improvement	0.158	0.195	0.223	0.244	0.000
Antioch Public Library District	0.274	0.309	0.341	0.377	0.395
School District Number 34	3.510	3.957	4.359	4.850	5.113
High School District Number 117	2.639	2.954	3.291	3.651	3.831
Community College District Number 532	<u>0.218</u>	<u>0.240</u>	<u>0.272</u>	<u>0.296</u>	<u>0.306</u>
Total Representative Tax Rate	<u>\$8.582</u>	<u>\$9.622</u>	<u>\$10.524</u>	<u>\$11.609</u>	<u>\$12.153</u>

Source: Lake County Clerk's Office.

Information on tax levies and collections [for residential properties] for the tax levy years 2010 through 2014 are set forth in the following table.

## Tax Levy and Collections

Levy Year	Collection Year	Total Taxes Extended	Total Collections	
			Amount	Percent
2010	2011	\$3,572,268	\$3,558,272	99.61%
2011	2012	3,641,916	3,558,594	97.71
2012	2013	3,430,331	3,416,282	99.59
2013	2014	3,407,969		
2014	2015		(In Process of Collection)	

*\*Through September 1, 2015.  
Source: Village of Antioch.*

Major employers in the Village are included in the following table.

### Major Employers

Name	Product/Service	Number of Employees
School District #34	Education	440
Super Wal-Mart	Discount Retailer	360
Jewel/Osco	Grocery Store	319
Antioch Community High School	Education	122
All-West Plastics	Mold Manufacturer	120
Raymond Chevrolet/Kia	Car Dealership	95
Fisher Paper Products	Manufacturer – Specialty Bags	75
Deli Source Inc.	Cheese Conversion & Packaging	60
State Bank of the Lakes	Community Bank	49
Piggly Wiggly	Grocery Store	48

*Source: Illinois Manufacturers Directory and Illinois Business Services Directory.*

The Village's annual number of building permits issued and the construction value of property within the Village for the periods 2010 through September 1, 2015 are indicated below.

### Permits and Construction Value

Year	Number of Single Family Residential Building Permits	Construction Value
2010	1	\$185,000
2011	0	-
2012	1	425,000
2013	0	-
2014	0	-
2015*	1	418,000

*\*Through September 1, 2015.  
Source: Village of Antioch.*

Utilities servicing the Village include Nicor, ComEd, Verizon and Mediacom. The Village provides its own water service, and sewer treatment service is provided through the Lake County Northeast Sewerage System. The Village has its own police and fire departments. Library services are provided by the Antioch Public Library District.

## **Village Organization and Administration**

The Village is governed by an elected Mayor and Board of Trustees. The Village's Mayor is the Village's chief executive officer and is elected to a four year term. The Corporate Authorities (the Mayor and Board of Trustees) are elected on a non-partisan at-large basis. Day-to-day operations of the Village are directed by the Mayor. The Village provides services including police and fire protection; planning, zoning and building inspection; emergency telecommunications; street repair; and storm drainage system.

As of April 30, 2015, the Village employed 65 full-time employees and 23 part-time employees.

### **Fire Protection**

Fire protection for the Village is provided by the Antioch Fire Department, an administrative unit of Village government (hereinafter the "Fire Department") which currently has 12 pieces of equipment and 129 full time paid and on-call personnel. The Fire Department has 3 fire stations, which are located in the Village.

### **Police Department**

The Village has its own police department with 27 full-time officers and no sworn part-time officers. Officers other than the police chief, department chief and commander are represented by the Fraternal Order of Police . The current collective bargaining agreement with the union expires April 30, 2016.

### **Schools**

Antioch Schools District No. 34, with an elementary school and middle school located in Antioch serving grades K – 8, and Antioch High School District No. 117, serving grades 9 – 12, serve the homes within the Special Service Areas. Each school offers a full academic program coupled with a variety of extra-curricular activities for students.

### **Recreational and Library Services**

Recreational opportunities are provided by the Village. Library services are provided by the Antioch Public Library District. The Village does not lie within an organized park district. Numerous programs, such as Little League, are provided by local organizations.

### **Medical Services**

Hospital services are provided to Village residents by Advocate Condell Hospital located in Libertyville, Illinois.

**APPENDIX B-1**

**AMENDED SPECIAL SERVICE AREA NUMBER ONE (DEERCREST)  
SPECIAL TAX ROLL AND REPORT**

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**APPENDIX B-2**

**AMENDED SPECIAL SERVICE AREA NUMBER TWO (CLUBLANDS)  
SPECIAL TAX ROLL AND REPORT**

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**APPENDIX C**  
**TRUST INDENTURE**

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**APPENDIX D**

**FORMS OF BOND COUNSEL OPINIONS**

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**APPENDIX E**  
**CONTINUING DISCLOSURE AGREEMENT**

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**APPENDIX F**

**SERIES 2015A BOND INSURANCE POLICY**

**[To be supplied]**

***[INSERT MUNICIPAL BOND INSURANCE POLICY]***

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**EXHIBIT E**  
**Consulting Agreement**

## **AGREEMENT FOR ADMINISTRATIVE SERVICES**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2015 by and between the Village of Antioch at 874 Main Street, Antioch, IL 60002, hereinafter called "Antioch" or "Client," and David Taussig & Associates, Inc., at 5000 Birch Street, Suite 6000, Newport Beach, CA 92660, hereinafter called "Consultant." The Client and the Consultant in consideration of the mutual promises and conditions herein contained agree as follows.

### **ARTICLE I TERM OF CONTRACT**

**Section 1.1** This agreement shall become effective on the date stated above and will continue in effect until terminated as provided in Article 6 below.

### **ARTICLE II SERVICES TO BE PERFORMED BY CONSULTANT**

**Section 2.1** Consultant agrees to perform the professional services for the Client and to deliver the work products to the Client as described in the Scope of Work statement attached as Exhibit "A" hereto. Such professional services and work products, as from time to time modified in accordance with Section 2.3 hereof, are collectively referred to as the "Administrative Services."

**Section 2.2** Consultant will determine the method, details and means of performing the Administrative Services. Consultant may, at Consultant's own expense, employ such assistance as it deems necessary to perform the Administrative Services required by Client under this Agreement. Consultant shall conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation or counsel independent of the control and direction of the Client, other than normal contract monitoring. All computer software (including without limitation financial models, compilations of formulas and spreadsheet models), inventions, designs, programs, improvements, processes and methods (collectively, the "Proprietary Models") used or developed by Consultant in performing its work is proprietary and shall remain property owned solely by, or licensed by a third party to Consultant. Client acknowledges and agrees that the consideration paid by Client herein only entitles Client to a license to use the hard copy or electronically transmitted reports generated pursuant to the Administrative Services and that any Proprietary Model that Consultant uses to generate such reports is owned by, or is duly licensed from a third party to Consultant and is not being provided to Client hereunder. Client acknowledges and agrees that Consultant has the right to use the reports and analyses that it authors pursuant to this Agreement as base works or templates for reports and analyses that Consultant authors for Consultant's other clients, provided, however, that Consultant shall not use any confidential information provided by Client in such future reports and analyses. Client acknowledges and agrees that Consultant has spent substantial time and effort in collection and compiling data and information (the "Data

Compilations") in connection with the Administrative Services and that such Data Compilations may be used by Consultant for its own purposes, including, without limitation, sale or distribution to third parties; provided, however, that Consultant will not sell or distribute any of Client's confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

**Section 2.3** Any proposed changes in the Administrative Services hereunder shall be submitted to the other party hereto, and any such changes agreed to by the parties shall be reflected in an amendment to Exhibit "A" in accordance with Section 7.2 hereto.

**Section 2.4** Nothing in this Agreement shall give the Consultant possession of authority with respect to any Client decision beyond the rendition of information, advice, recommendation or counsel.

### **ARTICLE III** **COMPENSATION**

**Section 3.1** Client agrees to pay Consultant for its Administrative Services a professional fee computed according to the Fee Schedule attached as Exhibit "B" hereto.

**Section 3.2** On or about the first two weeks of each quarter, in accordance with the Fee Schedule, Consultant shall present to Client an invoice. Such invoices shall be paid by Client within thirty (30) days of the date of each invoice. A 1.2% charge may be imposed against accounts which are not paid within 30 days of the date of each invoice.

**Section 3.3** The maximum total fee amount set forth in Exhibit "B" may be increased as a result of any expansion of the Administrative Services to be rendered hereunder pursuant to Section 2.3 or as provided in Exhibit "A" hereto.

**Section 3.4** Records of the Consultant's costs relating to (i) the Administrative Services performed under this Agreement and (ii) reimbursable expenses shall be kept and be available to the Client or to Client's authorized representative at reasonable intervals during normal business hours.

### **ARTICLE IV** **OTHER OBLIGATIONS OF CONSULTANT**

**Section 4.1** Consultant agrees to perform the Administrative Services in accordance with Exhibit "A." Should any errors caused by Consultant's negligence be found in such services or products, Consultant will correct them at no additional charge by revising the work products called for in Exhibit "A" to eliminate the errors. Consultant's contribution toward all obligations, losses, liabilities, damages, claims, attachments, executions, demands, actions and/or proceedings and all costs and expenses in connection therewith, including reasonable attorneys' fees, arising out of or connected with the performance of Consultant's Administrative Services under this Agreement, except as may arise from Consultant's willful misconduct or gross negligence, shall in no event exceed the amounts received by Consultant under this Agreement.

**Section 4.2** Consultant will supply all tools and instrumentalities required to perform the Administrative Services under the Agreement.

**Section 4.3** Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Consultant without the prior written consent of Client. However, Consultant may subcontract portions of the work to be performed hereunder to other persons or concerns provided Consultant notifies Client of the name and address of said proposed subcontractor and Client either consents or fails to respond to notification with respect to the use of any particular proposed subcontractor.

**Section 4.4** In the performance of its Administrative Service hereunder, Consultant is, and shall be deemed to be for all purposes, an independent contractor (and not an agent, officer, employee or representative of Client) under any and all laws, whether existing or future. Consultant is not authorized to make any representation, contract or commitment on behalf of Client.

## **ARTICLE V**

### **OTHER OBLIGATIONS OF CLIENT**

**Section 5.1** Client agrees to comply with all reasonable requests of Consultant and provide access to all documents reasonably necessary to the performance of Consultant's duties under this Agreement with the exception of those documents which Exhibit "A" calls upon the Consultant to prepare.

**Section 5.2** Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Client without the prior written consent of Consultant.

**Section 5.3** The Client, County of Lake and other public agencies, property owners, consultants and other parties dealing with Client or involved in the subject special service areas referred to in Exhibit "A" will be furnishing to Consultant various data, reports, studies, computer printouts and other information and representations as to the facts involved in the special service areas which Client understands Consultant will be using and relying upon in preparing the reports, studies, computer printouts and other work products called for by Exhibit "A." Consultant shall not be obligated to establish or verify the accuracy of the information furnished by or on behalf of Client, nor shall Consultant be responsible for the impact or effect on its work products of the information furnished by or on behalf of Client, in the event that such information is in error and therefore introduces error into Consultant's work products.

**Section 5.4** In the event that court appearances, testimony or depositions are required of Consultant by Client in connection with the services rendered hereunder, Client shall compensate Consultant at a rate of \$250 per hour and shall reimburse Consultant for out-of-pocket expenses on a cost basis.

## **ARTICLE VI**

### **TERMINATION OF AGREEMENT**

**Section 6.1** Either party may terminate or suspend this Agreement upon thirty days (30) written notice. Unless terminated as provided herein, this Agreement shall continue in force until the Administrative Services set forth in Exhibit "A" have been fully and completely performed and all proper invoices have been rendered and paid.

**Section 6.2** Should either party default in the performance of this Agreement or materially

breach any of its provisions, the other party at its option may terminate this Agreement by giving written notification to the defaulting party. Such termination shall be effective upon receipt by the defaulting party, provided that the defaulting party shall be allowed ten (10) days in which to cure any default following receipt of notice of same.

**Section 6.3** The covenants contained in Sections 2.2, 3.1, 4.1, 5.3, 5.4, 6.3 and all of Article VII shall survive the termination of this Agreement.

## **ARTICLE VII** **GENERAL PROVISIONS**

**Section 7.1** Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail. Mailed notices shall be addressed to the parties at the addresses appearing in the introductory paragraph of this Agreement, but each party may change the address by written notice in accordance with the first sentence of this Section 7.1. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated as of two (2) days after mailing.

**Section 7.2** This Agreement and exhibits hereto supersede any and all agreements, either oral or written, between the parties hereto with respect to the rendering of service by Consultant for Client and contains all of the covenants and agreements between the parties with respect to the rendering of such services. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement (including any exhibit hereto) will be effective if it is in writing and signed by the party against whom it is sought to be enforced.

**Section 7.3** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

**Section 7.4** Any controversy between the parties hereto involving the construction or application of any of the terms, covenants, or conditions of this Agreement will, on the written request of one party served on the other, be submitted to binding arbitration in accordance with the commercial rules and regulations of the American Arbitration Association. The arbitration shall take place in Chicago, Illinois, or such other location mutually agreed to by the parties.

The arbitrator(s) shall be selected as follows: In the event that Consultant and Client agree on one arbitrator, the arbitration shall be conducted by such arbitrator. In the event Consultant and Client do not so agree, Consultant and Client shall each select an arbitrator and the two arbitrators so selected shall select the third arbitrator. If there is more than one arbitrator, the arbitrators shall act by majority vote.

The decree or judgement of an award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The parties may propose arbitrators from JAMS, ADR, ARC or any independent arbitrator/neutral for dispute resolution. The parties are not required to hire a triple A arbitrator for resolution of a dispute hereunder.

**Section 7.5** The prevailing party in any arbitration or legal action brought by one party against the other and arising out of this Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs and reasonable attorneys' fees. The non-prevailing party shall be liable, to the extent allowable under law, for all fees and expenses of the arbitrator(s) and all costs of the arbitration.

**Section 7.6** This Agreement will be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, this Agreement has been executed on the date and year first above written.

CLIENT: **Village of Antioch**

By: \_\_\_\_\_

Date: \_\_\_\_\_

CONSULTANT: **David Taussig & Associates, Inc.**

By: \_\_\_\_\_  
David Taussig, President

Date: \_\_\_\_\_

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## *Exhibit A - Scope of Work*

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Please note that the Scope of Work statement is predicated on the assumption that the special taxes for Special Service Area Nos. 1 and 2 (hereinafter called "SSAs") will be billed and collected by the County of Lake (the "County"). The Scope of Work statement for the administration of the SSAs is comprised of those services associated with the annual calculation and billing of the special taxes, review of bond funds and accounts, responses to taxpayer inquiries (i.e., phone calls, prepayment requests, builder education/coordination), determination of arbitrage/rebate liability, and the reporting of certain information as set forth in the Continuing Disclosure Agreement as follows:

### **Task 1: Development Research and SSA Parcel Database**

This task involves gathering and organizing the information required to establish and maintain parcel databases necessary to extend, bill, and collect the special taxes, pursuant to the respective SSA Special Tax Roll and Reports, as amended, and includes the following:

- 1.1 Subdivision Research:** Coordinate with Antioch and BMB Associates I LLC (the "Builder") to obtain copies of all final plats. Identify recording date, property use, acreage, and the lot, block and unit numbers, as applicable, for each new parcel.
- 1.2 Permanent Index Numbers:** Coordinate with County to determine valid Permanent Index Numbers ("PIN") for the coming year and obtain new cadastral maps.
- 1.3 Classification of Property:** Assign each parcel to the appropriate special tax classification in accordance with the respective SSA Special Tax Roll and Reports, as amended.
- 1.4 SSA Parcel Database:** Establish and maintain parcel databases for the SSAs that will include all relevant PINs, property data, and special tax characteristics.

### **Task 2: Special Tax Requirement Calculation and Special Tax Abatement**

This task involves calculating the amount of special tax to be abated for the SSAs and includes the following subtasks:

- 2.1 Bond Funds Accountability Analysis:** This task involves the review and analysis of account statements for the funds and accounts maintained by the trustee. Consultant will prepare a monthly report, which summarizes the activity for each fund and account and evaluates flow of funds for consistency with the Indenture or other controlling documents. When necessary, Consultant will communicate our findings with Antioch or trustee.
- 2.2 Determine Annual Expenses:** Identify expenses for the SSAs including annual debt service, administrative expenses, and provision for delinquencies.
- 2.3 Year-End Reconciliation:** Prepare year-end reconciliation to determine surplus

funds, if any, in the bond funds and accounts, interest earnings, and other credits that may be applied to toward the abatement of the special tax.

- 2.4 Extension of Special Taxes:** Extend the required special taxes to each PIN pursuant to the respective SSA Special Tax Roll and Reports, as amended, and determine the resulting amount to be abated, if any.

### **Task 3: Report Preparation**

This task includes the preparation of an annual report for the SSAs, which will generally contain the following:

- Brief Development Summary
- Flow of Funds Summary
- Special Tax Collection, Tax Sale, and Foreclosure Status
- Bond Fund and Account Balance Summary
- Special Tax Requirement Calculation
- Current Equalized Assessed Value
- Current Property Tax Rates
- Current Equalized Assessed Value-to-Lien Ratio

### **Task 4: Extension and Billing of the Special Tax**

This task involves coordination with and assistance to the County, as needed, to facilitate the extension and billing of the special tax. The special taxes will be established by ordinance passed by the Antioch on or before the last Tuesday in December. The following subtasks are included:

- 4.1 Special Tax Roll:** For the SSAs, Consultant will prepare special tax rolls listing each PIN and the corresponding maximum special tax, special tax amount abated, and special tax amount to be billed.
- 4.2 Transmittal to County:** The special tax rolls will be transmitted to the County in hard copy and/or electronic form as specified by the County, along with a certified copy of the abatement ordinances, to be provided to Consultant by Antioch, in hard copy and electronic form as specified by the County.
- 4.3 Coordination with Assessor:** As requested, Consultant will assist the applicable Township Assessor determine the average public improvements allocable to properties in the SSAs.

### **Task 5: Special Tax Collections**

DTA will review the SSA special tax distribution reports provided by the County to monitor and record the collection of special taxes as they are distributed to the SSAs. DTA will request and review the County's unpaid list to determine the payment status of each individual PIN. This data will be recorded in special tax payment database and utilized to prepare an annual delinquent special tax report which shall be distributed to the Village and County as needed. DTA will provide assistance to the County as requested to facilitate the collection of the special taxes.

### **Task 6: Delinquent Special Tax Follow-up**

DTA will assist in the collection of special taxes that remain delinquent after the County has conducted its tax sale (or such other date as specified in the bond indenture). The following subtasks are included:

- 6.1 Final Delinquent Special Tax Report:** DTA will update the report of delinquent special taxes prepared pursuant to Task 5 above.
- 6.2 Demand Letters:** This task entails the preparation and mailing of demand letters to the property owners with delinquent special taxes. DTA will prepare a draft demand letter for review and approval by Antioch staff. After the form of the demand letter is approved, DTA will print the demand letters on Antioch letterhead and mail to property owners.
- 6.3 Coordination with Delinquent Property Owners:** DTA staff will be available to answer questions from the delinquent property owners.

### **Task 7: Foreclosure Assistance**

This task involves assistance with the foreclosure of the special taxes that remain delinquent after the follow-up process. We assume that at this stage in the collection process the Antioch will be retaining legal counsel to pursue judicial foreclosure. Therefore, our services will consist of activities to assist legal counsel and the Antioch with the foreclosure action. The following subtasks are included:

- 7.1 Foreclosure Report:** Following the payment deadline specified in the demand letter, DTA will prepare a report of the remaining delinquent special taxes that would be subject to foreclosure.
- 7.2 Reserve Fund Analysis:** This analysis will ascertain if the Reserve Fund is at its required amount and if any draws will be needed to make the debt service payments on the bonds.
- 7.3 Exhibit to Ordinance Ordering Judicial Foreclosure:** DTA will prepare an exhibit showing the delinquent special taxes, penalties, interest and collection costs to be attached to the ordinance adopted by the Antioch ordering the judicial foreclosure.

### **Task 8: Prepayment Calculations**

This task entails the calculation of prepayment amounts and coordination with the trustee and associated record keeping in the event any special tax is prepaid. This task includes the following subtask:

- 8.1 Special Tax Prepayments:** Upon request, DTA will calculate the amount needed to prepay the special tax pursuant to the prepayment formula as set forth and adopted in the respective Rate and Method of Levying Special Taxes, as amended. The prepayment information provided will identify the amount due, the deadline for payment, and direction regarding where payment is to be remitted.

**Task 9: Early Bond Redemption Analysis**

This task involves analysis of the early redemption of bonds resulting from the prepayment of special taxes or receipt of recapture funds. DTA will coordinate with the trustee to ensure the proper application of such funds and review the resulting revised debt service schedule.

**Task 10: Taxpayer Inquiries**

This task involves responding to telephone calls from prospective or current property owners or other interested parties who have questions regarding SSA, the public improvements financed, the amount of the special tax, etc. This task includes brief written responses to property owners as necessary. In order to efficiently and effectively handle these property owner's requests, DTA has a toll-free number for property owners who have questions.

**Task 11: Annual Continuing Disclosure**

This task entails preparation of annual financial information pursuant to the Continuing Disclosure Undertaking in connection with the issuance of the 2015 Special Tax Refunding Bonds.

**Task 12: Arbitrage/Rebate Calculation**

This task encompasses those activities associated with computing the rebate liability of the bonds sold on behalf of SSAs.

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## ***Exhibit B – Fee Schedule***

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### **PRIOR YEAR OUTSTANDING PROFESSIONAL FEES**

The Client agrees to pay all of DTA's outstanding invoices for the prior year administration of the SSAs at the closing of the 2015 Special Tax Refunding Bonds. As of November 9, 2015, the total outstanding professional fees are \$31,156.00. DTA will provide the final amount due to the Client prior to the closing.

### **PROFESSIONAL FEES**

DTA's proposed annual compensation for Tasks 1 through 6 and 8 through 11 of the scope of services listed under Exhibit A is a fixed fee of \$21,000 plus expenses. Task 7 services shall be billed on a time and materials basis in accordance with the hour rate schedule in Table 1, with payment due upon collection of the delinquent special taxes, including collection costs, through foreclosure. Proposed compensation for Task 12 is \$2,750, and \$2,250 per bond issue per year for subsequent years. Additional fees will be incurred for transferred proceeds analysis, commingled funds analysis, final or five year report, or computation period in excess of twelve months.

**TABLE 1  
CONSULTANT'S HOURLY RATES**

Managing Director	\$250/hour
Vice President	\$235/hour
Senior Manager	\$225/hour
Manager	\$200/hour
Senior Associate	\$180/hour
Associate	\$165/hour
Senior Analyst	\$145/hour
Analyst	\$125/hour
Research Assistant	\$105/hour

### **GENERAL TERMS AND CONDITIONS**

The preceding annual professional fees shall be billed in four equal installments, with invoices submitted by Consultant to Client on or about the first two weeks of each quarter. Such invoices shall be paid by Client within thirty (30) days of the date of each invoice. A 1.2% charge may be imposed against accounts that are not paid within 30 days of the date of each invoice.

At Client's request, services in addition to those identified in the Scope of Work statement may be provided. Unless otherwise agreed to by Client and Consultant, any additional tasks assigned by Client shall be charged at the hourly rates listed in Table 1.

Such additional tasks may include, but are not be limited to, the following:

- Manual billing of special taxes;
- Administration of variable rate bonds;
- Attendance, other than via telephone, at meetings with property owners or Antioch staff to

answer questions, review the levy, or resolve disputes regarding the calculation of the special tax;

- Assistance with workshops, seminars, etc. concerning disclosure of the special tax; and
- Assumption of dissemination agent responsibilities for developer continuing disclosure reports, if any.

The preceding lump sum professional fees and hourly rates apply for a 24 month period from execution of the Agreement and are subject to a cost-of-living and/or other appropriate increase every 12 months thereafter. Consultant generally reviews its professional fees and hourly rates annually and, if appropriate, adjusts them to reflect increases in seniority, experience, cost-of-living, and other relevant factors. Consultant shall notify Client in advance of any such increase.

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**EXHIBIT F**

**Continuing Disclosure Undertaking**

## CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this “*Agreement*”) is executed and delivered by and between the VILLAGE OF ANTIOCH, LAKE COUNTY, ILLINOIS (the “*Village*”) and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in its capacity as Dissemination Agent, in connection with the issuance by the Village of its \$ \_\_\_\_\_ Senior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015A (Deercrest/Clublands Project) (the “Series 2015A Bonds”), and \$ \_\_\_\_\_ Junior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015B (Deercrest/Clublands Project) (the “Series 2015B Bonds,” and together with the Series 2015A Bonds, the “Series 2015 Bonds”). The Series 2015 Bonds are being issued pursuant to the Bond Ordinance adopted by the Board of Trustees of the Village on adopted November 16, 2015, as Ordinance No. \_\_\_\_\_ (together with the Bond Order dated \_\_\_\_\_, 2015, the “*Bond Ordinance*”). The terms and provisions of the Series 2015 Bonds will be as set forth in that certain Trust Indenture, dated as of December 1, 2015 (the “Trust Indenture”), between the Village and The Bank of New York Mellon Trust Company, N.A., as Trustee thereunder.

In consideration of the issuance of the Series 2015 Bonds by the Village and the purchase of such Series 2015 Bonds by the beneficial owners thereof, the Village covenants and agrees as follows:

1. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires. Except as expressly otherwise defined herein, capitalized terms used herein shall have the same meanings as defined in the Bond Ordinance and the Trust Indenture.

*Annual Financial Information* means the financial information and operating data described in sections (a) (1) and (2) of *Exhibit I* attached hereto.

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 5 hereof.

*Annual Reports Filing Date* means the date specified in Section (a)(3) of *Exhibit I* for providing the Annual Financial Information and the Audited Financial Statements to the MSRB.

*Audited Financial Statements* means the audited financial statements of the Village prepared pursuant to the standards and as described in Exhibit I attached hereto.

*Commission* means the Securities and Exchange Commission.

*Consultant* means David Taussig & Associates, Inc., and its successors and assigns or any other firm selected by the Village to assist it in administering the Special Service Area and the extension and collection of Special Taxes pursuant to the Special Tax Rolls and Reports.

*Dissemination Agent* means The Bank of New York Mellon Trust Company, N.A., acting in its capacity as Dissemination Agent hereunder, or any other agent designated as such in writing by the Village and which has filed with the Village a written acceptance of such designation, and such agent's successors and assigns.

*EMMA* means 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 the Rule.

*Event* means the occurrence of any of the events with respect to the Series 2015 Bonds set forth in *Exhibit II* attached hereto.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Financial Information* means the financial information and operating data described in *Exhibit I* attached hereto.

*Fiscal Year End* means April 30 of each year, which is the last day the Village's fiscal year.

*Official Statement* means the final Official Statement, dated \_\_\_\_\_, 2015, and relating to the Series 2015 Bonds.

*MSRB* means the Municipal Securities Rulemaking Board.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Series 2015 Bonds.

*Reportable Event* means any Event which is subject to a Reportable Events Disclosure pursuant to Section 6.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 6.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*Special Service Areas* refers to the Village of Antioch Special Service Areas Number One and Special Service Areas Number Two.

*State* means the State of Illinois.

*Trustee* means The Bank of New York Mellon Trust Company, N.A., as trustee under the Trust Indenture.

*Trust Indenture* means that certain Trust Indenture dated as of December 1, 2015 between the Village and the Trustee with respect to the Series 2015 Bonds.

*Undertaking* means the obligations of the Village pursuant to Sections 5, 6 and 7.

2. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the Village as of the date set forth below, for the benefit of the beneficial owners of the Series 2015 Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule.

3. **REPRESENTATIONS OF VILLAGE.** The Village represents that:

(a) it will be the only “obligated person” (within the meaning of paragraph (f)(10) of the Rule) with respect to the Series 2015 Bonds at the time the Series 2015 Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after issuance of the Series 2015 Bonds;

(b) notwithstanding previous instances of noncompliance which have been corrected as of the date hereof, the Village is currently in compliance, in all material respects, with all previous undertakings pursuant to the Rule that are still in effect; and

(c) the Fiscal Year End for each fiscal year of the Village is April 30.

4. **CUSIP NUMBERS.** The CUSIP Numbers of the Series 2015 Bonds are set forth in *Exhibit III*. The Village will, or cause the Dissemination Agent to, include the CUSIP Numbers in all disclosure materials described in Sections 5, 6 and 7 of this Agreement.

5. **FINANCIAL INFORMATION DISCLOSURE.**

(a) Subject to Section 10 of this Agreement, the Village hereby covenants that it will, or cause the Consultant to deliver to the Dissemination Agent, its Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to the MSRB through EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

(b) If any part of the Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Village will, or cause the Dissemination Agent to, disseminate to the MSRB a statement to such effect as part of its Financial Information for the year in which such event first occurs.

(c) If any amendment or waiver is made to this Agreement, the Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

(d) If the Village changes its Fiscal Year End, it shall give notice of such change in the same manner as for a Reportable Event under Section 6 below.

(e) By no later than fifteen (15) business days prior to the applicable Annual Reports Filing Date, the Village shall provide, or cause the Consultant to provide, its Annual Financial Information and, if applicable, its Audited Financial Statements to the Dissemination Agent for filing with the MSRB through EMMA by no later than the Annual Reports Filing Date. If, by such 15<sup>th</sup> business day prior to the Annual Reports Filing Date, the Dissemination Agent has not received copies of the Annual Financial Information and the Audited Financial Statements from the Village, the Dissemination Agent shall contact the Village to determine if the Village is in compliance with its obligations hereunder.

(f) If the Dissemination Agent is unable to verify that the Village has provided the Annual Financial Information and the Audited Financial Statements to the MSRB by the Annual Reports Filing Date, the Dissemination Agent shall promptly send a notice to the MSRB through EMMA in substantially the form attached hereto as *Exhibit IV*.

(g) The Dissemination Agent shall:

- (i) determine each year, prior to the Annual Reports Filing Date, the applicable electronic format for filings through EMMA;
- (ii) file the Annual Financial Information and the Audited Financial Statements (if timely received from the Village) with the MSRB through EMMA by the Annual Reports Filing Date; and
- (iii) file a report with the Village and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Financial Information and the Audited Financial Statements have been provided to the MSRB pursuant to this Agreement and stating the date that such Annual Financial Information and Audited Financial Statements were provided to the MSRB; and
- (iv) file such other Financial Information with the MSRB upon receipt of same from the Village.

## 6. **REPORTABLE EVENTS DISCLOSURE.**

(a) Subject to Section 10 of this Agreement, the Village hereby covenants that it will, or cause the Dissemination Agent to, disseminate in a timely manner (not in excess of ten (10) business days after the occurrence of the Event giving rise to the Reportable Event) Reportable Events Disclosure to the MSRB through EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information.

(b) The Village may from time to time choose to provide notice of the occurrence of certain other events, in addition to the Reportable Events, if, in the judgment of the Village, such other event is material with respect to the Series 2015 Bonds, but the Village does not undertake any commitment to provide such notice of any event except for the Reportable Events.

(c) MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

(d) Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2015 Bonds or defeasance of any Series 2015 Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Bond Ordinance.

(e) The Dissemination Agent shall, promptly upon obtaining actual knowledge at its office specified in Section 13 below of the occurrence of any of the Events, contact the Village to inform the appropriate person at the Village of the occurrence of such Event and request that the Village promptly notify the Dissemination Agent in writing whether or not to report such Event to the MSRB as a Reportable Event pursuant to Section 6(g) below; provided, however, that the failure by the Dissemination Agent to so notify the Village and make such request shall not relieve the Village of its duty to report Reportable Events as required by this Agreement.

(f) Whenever the Village obtains knowledge of the occurrence of an Event, whether because of notice from the Dissemination Agent pursuant to Section 6(e) above or otherwise, the Village shall determine as soon as possible (but in no event in excess of ten (10) business days after the occurrence of the Event giving rise to the Reportable Event) if such Event is a Reportable Event which is required to be reported to the MSRB pursuant to the Rule and this Section 6. In the event the Village determines that such Event is not a Reportable Event, the Village shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to not report such Event.

(g) If, however, the Village determines that an Event is a Reportable Event required to be reported to the MSRB pursuant to the Rule and this Section 6, the Village shall promptly notify the Dissemination Agent in writing and instruct the Dissemination Agent to report such Reportable Event, in which event the Dissemination Agent shall file a notice of such Reportable Event with the MSRB through EMMA in an electronic format and accompanied by such identifying information as is prescribed by the MSRB. Such notice shall in no event be filed later than ten (10) business days after the occurrence of the Event giving rise to the Reportable Event.

(h) The Dissemination Agent may conclusively rely on an opinion of counsel that the Village's instructions to the Dissemination Agent under this Section 6 comply with the requirements of the Rule.

**7. CONSEQUENCES OF FAILURE OF THE VILLAGE TO PROVIDE INFORMATION.** The Village shall give, or cause the Dissemination Agent to give, notice in a timely manner to EMMA of any failure to provide Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Village to comply with any provision of this Agreement, the beneficial owner of any Series 2015A Bond or Series 2015B Bond may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Bond Ordinance or the Trust Indenture, and the sole remedy under this Agreement in the event of any failure of the Village to comply with this Agreement shall be an action to compel performance.

8. **AMENDMENTS; WAIVER.** Notwithstanding any other provision of this Agreement, the Village by ordinance or resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Series 2015 Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel) at the time of the amendment.

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

9. **TERMINATION OF UNDERTAKING.** The Undertaking of the Village, and the obligations of the Dissemination Agent hereunder, shall be terminated hereunder if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Series 2015A Bonds or Series 2015B Bonds under the Bond Ordinance and the Trust Indenture. The Village shall, or cause the Dissemination Agent to, give notice to the MSRB through EMMA in a timely manner if this Section is applicable.

10. **DISSEMINATION AGENT.** The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Village hereby appoints The Bank of New York Mellon Trust Company, N.A. as the Dissemination Agent. The Dissemination Agent may resign by providing sixty (60) days’ written notice to the Village. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Village pursuant to this Agreement.

11. **ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Village chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Village shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. **DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT.** The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement, and the Village, to the extent permitted by law, agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Village under this Section 12 shall survive resignation or removal of the Dissemination Agent and the payment of the Series 2015 Bonds.

13. **NOTICES.** Any notices or communications to or among any of the parties to this Agreement may be given as follows:

To the Village: Village of Antioch  
874 Main Street  
Antioch, IL 60002  
Attention: Joy McCarthy  
Telephone: 847-395-1000 x13  
Email: jmccarthy@antioch.il.gov

To the Dissemination Agent: The Bank of New York Mellon Trust Company, N.A.  
  
BNY Mellon  
2 North LaSalle Street, 7<sup>th</sup> Floor  
Chicago, IL 60602  
Attention: Emily Elizabeth Gigerich  
Telephone: 312-827-8532  
Email: emilyelizabeth.gigerich@bnymellon.com

14. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Village, the Dissemination Agent and the beneficial owners of the Series 2015 Bonds, and shall create no rights in any other person or entity.

15. **RECORDKEEPING.** The Village shall maintain records of all Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

16. **ASSIGNMENT.** The Village shall not transfer its obligations under the Bond Ordinance unless the transferee agrees to assume all obligations of the Village under this Agreement or to execute an Undertaking under the Rule.

17. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State of Illinois.

*[SIGNATURES FOLLOW]*

**VILLAGE OF ANTIOCH, LAKE COUNTY,  
ILLINOIS**

By \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_, 2015

**ACCEPTANCE BY DISSEMINATION AGENT**

The Bank of New York Mellon Trust Company, N.A., hereby accepts its appointment as Dissemination Agent hereunder, and agrees to perform the services of Dissemination Agent hereunder.

**THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., AS DISSEMINATION AGENT**

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

Date: \_\_\_\_\_, 2015

**EXHIBIT I**  
**FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS**

As used herein, “*Financial Information*” means the financial information and operating data as set forth below. All or a portion of the Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents, including other official statements (subject to the following sentence), which have been submitted to EMMA. If the information included by reference is contained in the Official Statement, the Official Statement must be available on EMMA; the Official Statement need not be available from the Commission. The Village shall clearly identify each such item of information included by reference.

**a. Financial Information:**

1. The statements and tables contained in the Official Statement under the captions “THE SPECIAL SERVICE AREA AND SPECIAL TAXES—Value to Lien Ratio” “—Representative Property Taxes” and “—Historical Special Tax Collections and Delinquencies,” which shall be based on the same sample set used in the final Official Statement.
2. Copies of the SSA administration reports provided by the Consultant showing the Special Taxes received, all disbursements from the Funds and Accounts administered by the Trust Indenture, including the balances in all Funds and Accounts relating to the Series 2015 Bonds and the Special Services as of the end of such calendar year, the collection of taxes, delinquencies, tax sales and foreclosures, and the number of building permits issued.
3. The Financial Information set forth in (a)(1) and (2) above (the “Annual Financial Information”) will be submitted to EMMA not later than March 1 of each year.
4. Reports setting forth any delinquencies in the payment of the Special Taxes as of January 1, July 1 and October 1 and of each year which will be submitted to EMMA within 30 days after each such date.
5. To the extent received by the Village under that certain Renewed and Restated Development Agreement dated December \_\_, 2015 (the “Redevelopment Agreement”), between the Village and BMB Associates I LLC (the “Developer”), quarterly statements setting forth the information required to be delivered by the Developer to the Village and Trustee under the Redevelopment Agreement, including total lot sales by Developer of single-family homes and townhomes in each of the Special Service Areas, which will be submitted to EMMA within 30 days after the Village’s receipt of such information.

**b. Audited Financial Statements:**

1. Audited Financial Statements will be prepared in accordance with generally accepted accounting principles applicable to governmental units as in effect from time to time (i.e., as subject to the pronouncements of the Governmental Standards Accounting Board and subject to any express requirements of Illinois law).
2. Audited Financial Statements will be submitted to EMMA in such format and manner and accompanied by identifying information as is prescribed by the MSRB.
3. Audited Financial Statements should be filed no later than more than 210 days after the Village's Fiscal Year End. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be filed when available.

If any change is made to the Financial Information as permitted by Section 5 of the Agreement, the Village will disseminate a notice of such change as required by Section 5.

**EXHIBIT II**  
**EVENTS WITH RESPECT TO THE SERIES 2015 BONDS**  
**FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Series 2015 Bonds
7. Modifications to the rights of Bondholders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the Series 2015 Bonds, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Village\*
13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.

**EXHIBIT III**  
**CUSIP NUMBERS**

**EXHIBIT IV**

**FORM OF NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Village of Antioch, Lake County, Illinois

Name of Issue: Senior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015A (Deercrest/Clublands Project) (the "Series 2015A Bonds"), and Junior Lien Special Service Areas Number One and Two Special Tax Refunding Bonds, Series 2015B (Deercrest/Clublands Project) (the "Series 2015B Bonds," and collectively with the Series 2015A Bonds, the "Series 2015 Bonds")

Date of Issuance: \_\_\_\_\_, 2015

NOTICE IS HEREBY GIVEN that the Village of Antioch, Lake County, Illinois (the "Village") has not provided its Annual Financial Information and its Audited Financial Statements with respect to the above-named Series 2015 Bonds as required by the Continuing Disclosure Agreement dated \_\_\_\_\_, 2015 by the Village and accepted by The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent. [The Village anticipates that the Annual Financial Information and Audited Financial Statements will be filed by \_\_\_\_\_.]

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

**THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., AS DISSEMINATION AGENT**

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

**EXHIBIT G**

**Amendments to Special Tax Report (Special Service Area Number Two)**

**VILLAGE OF ANTIOCH  
SPECIAL SERVICE AREA NUMBER TWO  
(CLUBLANDS)**

**AMENDMENTS TO  
RATE AND METHOD OF LEVYING SPECIAL TAXES**

The Rate and Method of Levying Special Taxes ("Rate and Method"), attached as Exhibit A to the Special Tax Roll and Report for the Village of Antioch Special Service Area Number Two (Clublands) ("SSA No. 2"), approved by the Village Ordinance No. 02-09-39 on September 27, 2002, as amended by Ordinance No. 03-05-18 on May 5, 2003, shall be amended as follows:

**A. DEFINITIONS**

The additional terms used herein shall have the following meanings:

**"Phase 1"** means the area encompassed in Clublands of Antioch-Phase 1 Subdivision, recorded April 7, 2003 as Document No. 5178886.

**"Phase 2"** means the area encompassed in Clublands of Antioch-Phase 2 Subdivision, recorded July 23, 2004 as Document No. 5607281.

**"Phase 3"** means the area encompassed in (i) Lots 639-653, 682-688, 728-777, Outlot R, and Outlot U of Clublands of Antioch-Phase 3 East Subdivision, recorded January 3, 2005 as Document Number 5710108, correction recorded July 13, 2006 as Document Number 6026240, (ii) Lots 14-49 and Outlot A of Clublands of Antioch-Phase 3 East Resubdivision of Lots 613-638, 654-681 and Outlot T in Clublands of Antioch-Phase 3 East Subdivision, recorded October 19, 2006 as Document Number 6076899, and (iii) Clublands of Antioch-Phase 3 West Subdivision, recorded January 3, 2005 as Document Number 5710109, correction recorded March 7, 2006 as Document Number 5957638 and July 13, 2006 as Document Number 6026241.

**"Phase 4"** means the area encompassed in (i) Parcels 02-22-200-015, 02-22-400-002, 02-23-300-012, 02-23-300-013, 02-23-300-014 and 02-23-400-012, (ii) Lots 477-480, 531-541, 610-612, 689-727, 778-817, Outlot V, Outlot W, Outlot Y, and Outlot Z of Clublands of Antioch-Phase 3 East Subdivision, recorded January 3, 2005 as Document Number 5710108, correction recorded July 13, 2006 as Document Number 6026240, and (iii) Lots 1-13 of Clublands of Antioch-Phase 3 East Resubdivision of Lots 613-638, 654-681 and Outlot T in Clublands of Antioch-Phase 3 East Subdivision, recorded October 19, 2006 as Document Number 6076899.

**"Phase 1 Single-family Property"** means all property within the boundaries of Phase 1 on which Single-family Property have been, may be, or are anticipated to be constructed as determined from the Preliminary Plat, or any Final Plat, as applicable.

**"Phase 2 Single-family Property"** means all property within the boundaries of Phase 2 on which Single-family Property have been, may be, or are anticipated to be constructed as determined from the Preliminary Plat, or any Final Plat, as applicable.

**"Phase 3 Single-family Property"** means all property within the boundaries of Phase 3 on which Single-family Property have been, may be, or are anticipated to be constructed as determined from the Preliminary Plat, or any Final Plat, as applicable.

**"Phase 4 Single-family Property"** means all property within the boundaries of Phase 4 on which Single-family Property have been, may be, or are anticipated to be constructed as determined from the Preliminary Plat, or any Final Plat, as applicable.

**B. CLASSIFICATION OF PROPERTY**

Section B shall be amended to read as follows:

On or before the last Tuesday of each Calendar Year, each Parcel shall be classified as Association Property, Public Property, or Single-family Property. Single-family Property shall be further classified as Phase 1 Single-family Property, Phase 2 Single-family Property, Phase 3 Single-family Property, or Phase 4 Single-family Property. The foregoing classifications shall be based on the Preliminary Plat or Final Plat, whichever is most recent as of the September 30 preceding the Calendar Year for which the Special Tax is being collected. The classification to which each Parcel is assigned shall be fixed upon the recordation of the Final Plat from which such Parcel was established.

**C. MAXIMUM PARCEL SPECIAL TAX**

Section C shall be amended to read as follows:

**1. Single-family Property, Association Property, and Public Property**

The Maximum Parcel Special Tax for Single-family Property, Association Property, and Public Property that has been levied in Calendar Year 2015 and which may be collected in Calendar Year 2016 is shown in Table 1 below.

TABLE 1 LEVIED CALENDAR YEAR 2015 MAXIMUM PARCEL SPECIAL TAX AMOUNTS	
Classification	Maximum Parcel Special Tax
Phase 1 Single-family Property	\$2,098.22/lot or dwelling unit
Phase 2 Single-family Property	\$2,098.22/lot or dwelling unit
Phase 3 Single-family Property	\$2,098.22/lot or dwelling unit
Phase 4 Single-family Property	\$411.08/lot or dwelling unit
Association Property	\$0.00/Parcel
Public Property	\$0.00/Parcel

The Maximum Parcel Special Tax for a Parcel of Single-family Property which is not located within a Final Plat shall be calculated by multiplying the number of expected single-family lots or dwelling units for such Parcel, as determined from the Preliminary Plat in effect as of September 30 preceding the Calendar Year for which the Special Tax is being collected, by the corresponding Maximum Parcel Special Tax per lot or dwelling unit determined pursuant to Table 1 above, as increased in accordance with the Section C.2 below.

**2. Escalation**

The Maximum Parcel Special Tax that has been levied in each subsequent Calendar Year thereafter, commencing with Calendar Year 2016, is one and one-half percent (1.50%) greater than the Maximum Parcel Special Tax for the preceding Calendar Year rounded up to the nearest dollar.

**3. Maximum Parcel Special Taxes**

The Maximum SSA Special Taxes shall not exceed \$1,548,402.74. The Special Tax Bond Prepayment amount and Mandatory Special Tax Prepayment amounts shall not exceed the Principal plus any Premium, Defeasance, and Fees as such terms are defined in Section G.

**4. Special Tax Roll Amendment**

Each Calendar Year, in conjunction with the abatement ordinance adopted by the Village, the Board shall amend the Special Tax Roll to reflect the Maximum Parcel Special Tax applicable to any new Parcels established by the County. The amended Special Tax Roll shall be recorded with the County.

**D. METHOD OF ABATING THE SPECIAL TAX**

Section D shall be amended to read as follows:

On or before the last Tuesday of December of each Calendar Year, commencing with Calendar Year 2015 and for each following Calendar Year, the Village or its designee shall determine the Special Tax Requirement and the Maximum Parcel Special Tax authorized by the ordinance providing for the issuance of the Bonds shall be abated as follows:

The Maximum Parcel Special Tax on each Parcel of Phase 1 Single-family Property, Phase 2 Single-family Property, Phase 3 Single-family Property, and Phase 4 Single-family Property shall be abated in equal percentages until the amount remaining equals the Special Tax Requirement.

Abated in equal percentages means that the amount abated for each Parcel, computed as a percentage of its applicable Maximum Parcel Special Tax, is the same.

**G. OPTIONAL PREPAYMENT**

Section G shall be amended to read as follows:

The Maximum Parcel Special Tax for any Parcel may be prepaid and the obligation of the Parcel to pay the Maximum Parcel Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Maximum Parcel Special Tax shall provide the Village with written notice of intent to prepay. Within 30 days of receipt of such written notice, the Village or its designee shall notify such owner of the Special Tax Bond Prepayment for such Parcel and the date through which the amount any such prepayment shall be valid.

The Special Tax Bond Prepayment for a Parcel means an amount equal to (a) the sum of (1) Principal, (2) Premium, (3) Defeasance, and (4) Fees and (b) minus the Reserve Fund Credit, where the terms "Principal," "Premium," "Defeasance," "Fees," and "Reserve Fund Credit" have the following meanings:

**"Principal"** means the principal amount of Bonds to be redeemed and equals the quotient derived by dividing (a) the then applicable Maximum Parcel Special Tax for the Parcel intending to prepay by (b) the corresponding aggregate Maximum Parcel Special Taxes for SSA No. 2, (and excluding from (b) that portion of the Maximum Parcel Special Tax for any Parcel(s) that has been prepaid), and multiplying the quotient by the principal amount of outstanding Bonds.

**"Premium"** means an amount equal to the Principal multiplied by the applicable redemption premium, if any, for any Bonds so redeemed with the proceeds of any such prepayment. Any applicable redemption premium shall be as set forth in the Bond Indenture.

**"Defeasance"** means the amount needed to pay interest on the Principal to be redeemed until the earliest redemption date for the outstanding Bonds less for any Special Tax heretofore paid and which is not needed to pay Administrative Expenses nor has been used for the Special Tax Requirement.

**"Fees"** equal the expenses of SSA No. 2 associated with the Special Tax Bond Prepayment as calculated by the Village or its designee and include, but are not limited to, the costs of computing the Special Tax Bond Prepayment, the costs of redeeming the Bonds, and the costs of recording and publishing any notices to evidence the Special Tax Bond Prepayment and the redemption of Bonds.

**"Reserve Fund Credit"** shall equal the lesser of (i) the expected reduction in the applicable Reserve Requirement (as defined in the Bond Indenture), if any, following the redemption of Bonds from proceeds of the Special Tax Bond Prepayment or (ii) the amount derived by subtracting the new Reserve Requirement in effect after the redemption of Bonds from proceeds of the Special Tax Bond Prepayment from the balance in the Reserve Fund (as defined in the Bond Indenture) on the prepayment date, but in no event shall such amount be less than zero. Reserve Fund earnings to be applied toward the Special Tax Requirement shall not be considered when computing the Reserve Fund Credit.

The Maximum Parcel Special Tax may also be prepaid in part, provided that proceeds for any such prepayment are sufficient to permit the redemption of Bonds in such amounts and maturities deemed necessary by the Administrator and in accordance with the Bond Indenture. The amount of any partial Special Tax Bond Prepayment shall be computed pursuant to the appropriate preceding section substituting the portion of the Maximum Parcel Special Tax to be prepaid for the Maximum Parcel Special Tax when computing Principal.

The sum of the amounts calculated above shall be paid to the Village, deposited with the trustee, and used to pay and redeem Bonds in accordance with the Bond Indenture and to pay the Fees associated with the Special Tax Bond Prepayment. Upon the payment of the Special Tax Bond Prepayment amount to the Village, the obligation to pay the portion of the Maximum Parcel Special Tax which is prepaid for such Parcel shall be deemed to be permanently satisfied, such portion of the Maximum Parcel Special Tax shall not be collected thereafter from such Parcel, and in the event the entire Maximum Parcel Special Tax is prepaid the Administrator shall cause a satisfaction of special tax lien for such Parcel to be recorded within 30 working days of receipt of the Special Tax Bond Prepayment.

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