

**AGENDA**  
**SPECIAL FINANCE COMMITTEE**  
**Village of Hoffman Estates**  
**July 2, 2018**

*Immediately Following Village Board Meeting*

<b>Members:</b>	Gary Pilafas, Chairperson	Karen Mills, Trustee
	Anna Newell, Vice Chairperson	Gary Stanton, Trustee
	Michael Gaeta, Trustee	Karen Arnet, Trustee
		William McLeod, Mayor

**I. Roll Call**

**NEW BUSINESS**

1. Request approval of an Ordinance authorizing the issuance of not to exceed \$39,500,000 General Obligation Refunding Bonds, Series 2018 of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, authorizing the execution of a bond order for each series of bonds, authorizing the execution of a refunding escrow agreement, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

**II. Adjournment**

*Further details and information can be found in the agenda packet attached hereto and incorporated herein and can also be viewed online at [www.hoffmanestates.org](http://www.hoffmanestates.org) and/or in person in the Village Clerk's office).*

*The Village of Hoffman Estates complies with the Americans with Disabilities Act (ADA). For accessibility assistance, call the ADA Coordinator at 847/882-9100.*

## COMMITTEE AGENDA ITEM VILLAGE OF HOFFMAN ESTATES

**SUBJECT:** 2018 Bond Ordinance

**MEETING DATE:** July 2, 2018

**COMMITTEE:** Finance

**FROM:** James H. Norris, Village Manager  
Arthur L. Janura, Corporation Counsel  
Rachel Musiala, Director of Finance

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**PURPOSE:** Request approval of an Ordinance authorizing the issuance of not to exceed \$39,500,000 General Obligation Refunding Bonds, Series 2018 of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, authorizing the execution of a bond order for each series of bonds, authorizing the execution of a refunding escrow agreement, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

**BACKGROUND:** The Village currently has \$23,410,000 of principal outstanding related to the Series 2008A General Obligation Bonds and \$15,280,000 of principal outstanding related to the Series 2009A General Obligation Bonds. These bonds were originally issued to fund the Village Hall remodeling, the construction of the new police station and fire station, and the construction of a new water tower. These bonds are subject to redemption on any date on or after December 1, 2018 and December 1, 2019 respectively. This would be done if market conditions would result in savings to the Village. A portion of the 2009A bonds was advance refunded in FY2016 and a portion of the 2008A bonds was advance refunded in FY2017, both to realize financial savings.

**DISCUSSION:** Speer Financial has been monitoring the current debt market. Moving forward with this refunding in the current market would result in almost \$4.2 million of projected present value debt service savings over the life of the bonds, a savings of 11.278%. If conditions remain favorable, the attached ordinance would give staff the authority to move forward with the issuance of bonds to refund the balance of the 2008A and 2009A bonds.

The parameters being approved with the attached ordinance specify:

- No more than \$39,500,000 of bonds will be sold to refund the above mentioned debt.
- The interest rate on the bonds will not exceed 5.50%.
- The maturity dates of the bonds will not exceed December 1, 2038.

As written, this ordinance will allow for the issuance of bonds for the purposes specified above in 2018 without further formal action needed. This ordinance was written by Vincent Cainkar, Bond Counsel with Louis F. Cainkar, Ltd, and has been reviewed by the Municipal Advisors and Village staff.

**RECOMMENDATION:** Request approval of an Ordinance authorizing the issuance of not to exceed \$39,500,000 General Obligation Refunding Bonds, Series 2018 of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, authorizing the execution of a bond order for each series of bonds, authorizing the execution of a refunding escrow agreement, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

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**ORDINANCE NO. \_\_\_\_-2018**

**AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$39,500,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018, OF THE VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS, AUTHORIZING THE EXECUTION OF A BOND ORDER FOR EACH SERIES OF BONDS, AUTHORIZING THE EXECUTION OF A REFUNDING ESCROW AGREEMENT, AND FOR THE LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON SAID BONDS**

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Passed by the Village President  
and Board of Trustees on the  
\_\_\_\_\_ day of \_\_\_\_\_,  
2018.

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**AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$39,500,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018, OF THE VILLAGE OF HOFFMAN ESTATES, COOK AND KANE COUNTIES, ILLINOIS, AUTHORIZING THE EXECUTION OF A BOND ORDER FOR EACH SERIES OF BONDS, AUTHORIZING THE EXECUTION OF A REFUNDING ESCROW AGREEMENT, AND FOR THE LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON SAID BONDS**

WHEREAS, the Village of Hoffman Estates, Cook and Kane Counties, Illinois (the "Village"), pursuant to the provisions of Article VII, Section 6(a) of the Constitution of the State of Illinois, is a home rule unit and may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt payable from *ad valorem* tax receipts maturing within 40 years from the time it is incurred and without prior referendum approval;

WHEREAS, the Village has heretofore issued its \$26,645,000 General Obligation Bonds, Series 2008A dated March 20, 2008 of which the following maturities are outstanding:

<b>MATURITY DATE</b>	<b>PRINCIPAL AMOUNT</b>
12/1/2030	\$ 2,415,000
12/1/2031	\$ 2,540,000
12/1/2032	\$ 2,665,000
12/1/2033	\$ 2,795,000
12/1/2034	\$ 2,350,000
12/1/2035	\$ 2,470,000
12/1/2036	\$ 2,595,000
12/1/2037	\$ 2,720,000
12/1/2038	\$ 2,860,000

(the "Prior Series 2008A Bonds");

WHEREAS, the Village has heretofore issued its \$30,355,000 General Obligation Bonds, Series 2009A dated April 1, 2009 of which the following maturities are outstanding:

<b>MATURITY DATE</b>	<b>PRINCIPAL AMOUNT</b>
12/1/2018	\$ 1,485,000
12/1/2019	\$ 1,555,000
12/1/2020	\$ 1,640,000
12/1/2021	\$ 1,725,000

12/1/2022	\$ 1,815,000
12/1/2023	\$ 1,910,000
12/1/2024	\$ 2,010,000
12/1/2025	\$ 915,000
12/1/2026	\$ 2,225,000

(the “Prior Series 2009A Bonds”) (collectively, the Prior Series 2008A Bonds and the Prior Series 2009A Bonds are the “Prior Bonds”);

WHEREAS, the Village President and the Board of Trustees (the “Board of Trustees”) has considered and determined that interest rates available in the bond market are currently more favorable for the Village than they were at the time when the Prior Bonds were issued and that it is possible, proper and advisable to provide for the timely refunding of the Prior Bonds, and to provide for the payment and redemption thereof as same become due and at their respective earliest dates of redemption, to the end of taking advantage of the debt service savings which may result from such lower interest rates;

WHEREAS, the Board of Trustees has determined that all or a portion of the outstanding maturities of the Prior Bonds shall be refunded (the “Refunding”) in order to effect an interest rate savings to the Village;

WHEREAS, the estimated cost of the Refunding, including bond discount and bond issuance expenses, is not more than \$39,500,000, plus investment earnings thereon, as heretofore reported to and determined by the Board of Trustees and there are insufficient funds of the Village on hand and lawfully available to pay said costs, such that the Village expects to pay such costs by borrowing such money and issuing its general obligation bonds in evidence thereof;

WHEREAS, as a home rule unit, the Village by ordinance passed by the Board of Trustees is authorized to borrow money and in evidence thereof issue general obligation bonds of the Village without referendum in an amount not to exceed \$39,500,000 (the “Bonds”) for the purpose of paying all or a portion of the costs of the Refunding, and paying certain costs incurred in connection with the issuance of the Bonds; and

WHEREAS, the Board of Trustees does hereby determine that it is advisable and in the best interest of the Village at this time to borrow money and in evidence thereof issue the Bonds for the purpose of paying all or a portion of the costs of the Refunding, and paying certain costs incurred in connection with the issuance of the Bonds, and in evidence of such borrowing, issue its full faith and credit bonds, in the principal amount not to exceed \$39,500,000.

NOW, THEREFORE, BE IT ORDAINED by the Village President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, as follows:

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

*“Act”* means the Constitution of the State of Illinois, the home rule powers of the Village, the Illinois Municipal Code, the Local Government Debt Reform Act, and the Omnibus Bond Acts.

*“Authorized Denominations”* means \$5,000 and integral multiples of \$5,000.

*“Board of Trustees”* is defined in the Preambles of this Ordinance.

*“Bond Counsel”* means, with respect to the original issuance of the Bonds, Louis F. Cainkar, Ltd., Chicago, Illinois, and thereafter, any firm of attorneys of nationally recognized expertise with respect to the tax-exempt obligations of political subdivisions, selected by the Village.

*“Bond Fund”* means the Series 2018 Bond Fund created in Section 12 of this Ordinance.

*“Bond Order”* means that certain bond order, to be executed by the Village President for each series of Bonds, and setting forth certain details of each series of Bonds as provided in this Ordinance and includes the levy of the Pledged Taxes therefor.

*“Bond Purchase Agreement”* is defined in Section 11 of this Ordinance.

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

*“Bond Registrar”* means Amalgamated Bank of Chicago, Chicago, Illinois, or a successor thereto designated as bond registrar and paying agent; however, the Bond Registrar may be designated in the Bond Order.

*“Bonds”* means the not to exceed \$39,500,000 General Obligation Refunding Bonds, Series 2018, authorized to be issued by this Ordinance, including bonds issued in exchange for or upon transfer or replacement of bonds previously issued under this Ordinance.

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

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



“*County Clerks*” means collectively, the County Clerk of Cook County and the County Clerk of Kane County, Illinois.

“*Defeased Bonds*” means such bonds as are described and defined by such term in Section 14 of this Ordinance.

“*Depository*” means The Depository Trust Company or successor depository duly qualified to act as a securities depository and acceptable to the Village.

“*Designated Officials*” mean the officers of the Village as follows: Village President, Village Manager, and the Village Treasurer.

“*Escrow Agent*” means Amalgamated Bank of Chicago, Chicago, Illinois, or a successor thereto designated as bond registrar and paying agent; however, the Bond Registrar may be designated in the Bond Order.

“*Expense Account*” means the account in the Proceeds Fund established hereunder and further described by Section 13 of this Ordinance.

“*Global Book-Entry System*” means the system for the initial issuance of the Bonds as described in Section 5.

“*Government Securities*” means: (a) direct and general full faith and credit obligations of the United States Treasury (“Directs”); (b) certificates of participation or trust receipts in trusts comprised wholly of Directs; (c) other obligations unconditionally guaranteed as to timely payment by the United States Treasury or the Federal Deposit Insurance Corporation; or (d) the interest only component of REFCORPs.

“*Ordinance*” or “*Bond Ordinance*” means this Ordinance No. \_\_\_\_-2018 passed by the Board of Trustees on \_\_\_\_\_, 2018 and approved by the Village President on that date.

“*Outstanding*” when used with reference to any bond, means a bond is outstanding and unpaid; provided, however, such term shall not include bonds: (a) which have matured or for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient to pay all principal thereof and interest thereon; or (b) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, or other obligations unconditionally guaranteed as to timely payment by the United States Treasury or the Federal Deposit Insurance Corporation, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of, redemption premium, if any, and interest on such bonds, and will not result in the loss of exclusion from gross income of the interest thereon under Section 103 of the Code.

*"Paying Agent"* means the Amalgamated Bank of Chicago, Chicago, Illinois, or a successor thereto designated as bond registrar and paying agent; however, the Paying Agent may be designated in the Bond Order.

*"Pledged Taxes"* means the taxes on all taxable property in the Village without limitation as to rate or amount, in an amount sufficient to produce the sums necessary to pay the interest on the Bonds as it falls due and to pay and discharge the principal thereof at maturity.

*"Prior Bonds"* is defined in the Preambles of this Ordinance.

*"Prior Bond Ordinance"* means Ordinance No. 4009-2008 passed by the Board of Trustees on March 3, 2008 authorizing the issuance of the Prior Bonds.

*"Prior Project"* means the facilities financed, directly or indirectly, with the proceeds of the Prior Bonds.

*"Proceeds Fund"* means the Proceeds Fund created in Section 13 of this Ordinance.

*"Purchase Price"* means the price to be paid by the Purchaser for the Bonds as set forth in a Bond Purchase Agreement.

*"Purchaser"* means Robert W. Baird & Co, Naperville, Illinois.

*"Record Date"* means close of business on the fifteenth day of the month next preceding each interest payment date which occurs on the first day of any month, and the fifteenth day preceding any interest payment day occasioned by the redemption of the Bonds on other than the first day of a month.

*"Refunded Bonds"* means those portions of the Prior Bonds subject to the Refunding.

*"Refunding"* is defined in the Preambles of this Ordinance.

*"Refunding Account"* means the account in the Proceeds Fund established hereunder and further described in Section 14 of this Ordinance.

*"Refunding Escrow Agreement"* means the refunding escrow agreement between the Escrow Agent and the Village providing for the principal and interest payments on the Refunded Bonds.

*"Representations Letter"* means such agreement or agreements by and among the Village, the Bond Registrar, and the Depository as shall be necessary to effectuate a book-entry system for the Bonds, and includes the Blanket Letter of Representations executed by the Village and the Depository.

“*Stated Maturity*” means, with respect to any Bond, the date specified in such Bond as the fixed date on which the principal of such Bond or such interest is due and payable, whether by maturity or otherwise.

“*Tax-Exempt*” means, with respect to all or any portion of the Bonds, the status of interest paid and received thereon as excludable from the gross income of the owners thereof under the Code for federal income tax purposes.

“*Term Bonds*” means Bonds subject to mandatory redemption as designated in the Bond Order.

“*Verification Agent*” is Sikich LLP, Naperville, Illinois, or as named in the Bond Order.

“*Village*” means the Village of Hoffman Estates, Cook and Kane Counties, Illinois.

Definitions also appear in the Preambles hereto or in specific sections, as appear below.

**Section 2. Incorporation of Preambles.** The Board of Trustees hereby finds that all of the recitals contained in the Preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

**Section 3. Authorization.** It is hereby found and determined that the Board of Trustees has been authorized by law to borrow the sum of not to exceed \$39,500,000 upon the credit of the Village and as evidence of such indebtedness to issue at this time bonds in the aggregate principal amount not to exceed \$39,500,000 (the “Bonds”) in order to pay the costs of the Refunding. The Bonds shall be issued pursuant to the Act.

**Section 4. General Terms of Bonds.** The Bonds shall be issued in an aggregate principal amount not to exceed \$39,500,000 and shall be designated “General Obligation Refunding Bonds, Series 2018.” The terms, conditions and provisions of the Bonds shall be provided in the Bond Order, which shall include a levy of taxes sufficient to timely pay the principal and interest thereon.

The Bonds shall not exceed a par amount of \$39,500,000 and may be issued in one or more series on or before December 1, 2018. The Bonds shall bear interest at a rate not to exceed 5.5% per annum and shall mature no later than December 1, 2038. The Bonds shall be sold at a purchase price of not less than 98% of par value. The Bonds providing for the Refunding shall be issued only if there is a net present value savings of 5.0% or more to the Village.

The Bonds shall be in fully registered form, and may be in book entry form. The Bonds shall be dated as of a date (the “Dated Date”) no earlier than the date of passage of this Ordinance and no later than their initial date of issuance as shall be set forth in the Bond Order; each Bond

shall also bear its respective date of authentication; and the Bonds shall be numbered consecutively in such fashion as shall be determined by the Bond Registrar. The Bonds shall be in Authorized Denominations, but no single such bond shall represent principal maturing on more than one date, and shall be numbered 1 and upwards. Each Bond shall bear interest from the later of its Dated Date or from the most recent interest payment date to which interest (computed on the basis of a 360-day year of twelve 30-day months) has been paid or duly provided for, commencing on a date within one year of the Dated Date, as shall be set forth in the Bond Order, and upon regular semiannual intervals thereafter, at the respective rates percent per annum provided, until the principal thereof shall be paid or duly provided for. So long as the Bonds are held in Book Entry Form, interest on each Bond shall be paid to the Depository by check or draft or electronic funds transfer, in lawful money of the United States of America, as may be agreed in the Representations Letter; and if the Bonds are in physical form to registered owners other than the Depository, interest on each Bond shall be paid by check or draft of the Paying Agent, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date, and mailed to the address of such registered owner as it appears on the Bond Register or at such other address as may be furnished in writing to the Bond Registrar. Amalgamated Bank of Chicago, Chicago Illinois is hereby appointed to serve as Bond Registrar and Paying Agent for the Bonds.

The full faith and credit of the Village are hereby irrevocably pledged to the punctual payment when due on the Bonds, together with the interest and any premium thereon. The Bonds shall be direct and general obligations of the Village, and the Village shall be obligated to levy unlimited *ad valorem* taxes upon all the taxable property in the Village for the payment of the Bonds according to their terms, without limitation as to rate or amount, which levy and taxes are also pledged to the punctual payment, when due, of the Bonds, together with the interest and any premium thereon, to the bondholders. Moneys derived from the Pledged Taxes and all other moneys deposited or to be deposited into the Bond Fund are pledged as security for the payment of the principal of and interest on the Bonds. This pledge is made pursuant to Section 13 of the Local Government Debt Reform Act and shall be valid and binding from the date of issuance of the Bonds. All such Pledged Taxes and the moneys held in the Bond Fund shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Village irrespective of whether such parties have notice thereof.

**Section 5. Global Book-Entry System.** The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds bearing the same rate of interest. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in such name as may be provided by the Depository (the “Book Entry Owner”) and, accordingly, in Book Entry Form as provided and defined herein. One of the Designated Officials is authorized to execute a Representations Letter or to utilize the provisions of an existing Representations Letter. Without limiting the generality of the authority given with

respect to entering into a Representations Letter for the Bonds, it may contain provisions relating to: (a) payment procedures; (b) transfers of the Bonds or of beneficial interests therein; (c) redemption notices and procedures unique to the Depository; (d) additional notices or communications; and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices. With respect to Bonds registered in the Bond Register in the name of the Book Entry Owner, neither the Village nor the Bond Registrar shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which the Depository holds 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 Bonds. Without limiting the meaning of the immediately preceding sentence, neither the Village nor the Bond Registrar shall have any responsibility or obligation with respect to: (a) the accuracy of the records of the Depository, the Book Entry Owner, or any Depository Participant with respect to any ownership interest in the Bonds; (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register or as expressly provided in the Representations Letter, of any notice with respect to the Bonds, including any notice of redemption; or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. In the event that: (a) the Village determines that the Depository is incapable of discharging its responsibilities described herein or in the Representations Letter; (b) the agreement among the Village and the Depository evidenced by the Representations Letter shall be terminated for any reason; or (c) the Village determines that it is in the best interests of the Village or of the beneficial owners of the Bonds that they be able to obtain certificated Bonds; the Village shall notify the Depository of the availability of Bond certificates, and such Bonds shall no longer be restricted to being registered in the Bond Register to the Book Entry Owner. The Village may determine at such time that such Bonds shall be registered in the name of and deposited with a successor depository operating a book entry only system, as may be acceptable to the Village, or such depository’s agent or designee, but if the Village does not select such successor depository, then such Bonds shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

**Section 6. Execution; Authentication.** The Bonds shall be signed by the manual or duly authorized facsimile signatures of the Village President and the Village Clerk and may have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Bond Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Bond Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder.

**Section 7. Redemption.**

A. *Optional Redemption.* If so provided in the Bond Order, the Bonds shall be subject to redemption, in whole or in part, prior to maturity at the option of the Village from any available moneys, in any order of their maturity as determined by the Village (less than all of the bonds of a single maturity to be selected by the Bond Registrar and within any maturity by lot), on the date of redemption provided in the Bond Order, and on any date thereafter, at such optional redemption prices as may be provided in the Bond Order.

B. *Mandatory Redemption.* If so provided in the Bond Order, any Bonds may be issued as Term Bonds and be subject to mandatory redemption, at a price of par, without premium, plus accrued interest to the date fixed for redemption, on such date of each year as may be provided in the Bond Order (the "Mandatory Redemption Date") and in the amounts and subject to such provisions as shall be set forth in the Bond Order. Bonds subject to mandatory redemption shall be deemed to become due on the Mandatory Redemption Dates except for any remainder to be paid at maturity. The Village covenants that it will redeem any Term Bonds pursuant to the mandatory redemption requirement for such Term Bonds and levy taxes accordingly.

The principal amount of Bonds to be mandatorily redeemed on the Mandatory Redemption Date may be reduced through the earlier optional redemption thereof. In addition, on or prior to the 60<sup>th</sup> day preceding the Mandatory Redemption Date, the Bond Registrar may, and if directed by the Village shall, purchase Bonds required to be retired on the Mandatory Redemption Date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on the Mandatory Redemption Date.

C. *General Redemption Terms.* The Bonds shall be redeemed only in the principal amount of \$5,000 and integral multiples thereof. The Village shall, at least 30 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. The Bonds subject to mandatory redemption shall be called by the Bond Registrar for redemption without any further action of the Village. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions thereof to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; provided that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall promptly notify the Village in writing of the Bonds or portions thereof selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

**Section 8. Redemption Procedures.** The Bonds subject to redemption shall be identified, notice given, and paid and redeemed pursuant to the procedures as follows:

A. *Mandatory Redemption Procedure.* For a mandatory redemption, the Bond Registrar and Paying Agent shall proceed to redeem Bonds without any further order or direction from the Village whatsoever.

B. *Optional Redemption Procedure.* Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first class mail or e-mailing at least 30 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All notices of redemption shall state:

- (1) the redemption date;
- (2) the redemption price;
- (3) the identification by CUSIP numbers, if applicable, and maturity dates (and, in the case of partial redemption of Bonds within a maturity, the respective principal amounts) of the Bonds to be redeemed;
- (4) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated corporate trust office of the Paying Agent; and

(6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed shall have been received by the Paying Agent prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditional upon the receipt of such moneys by the Paying Agent on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall be given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions thereof which are to be redeemed on that date.

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

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



**Section 9. Registration of Bonds; Persons Treated as Owners.** The Village shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the office designated for such purpose of the Bond Registrar, which is hereby constituted and appointed the registrar of the Village for the Bonds. The Village is authorized to prepare, and the Bond Registrar or such other agent as the Village may designate shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds. Subject to the provisions of this Ordinance relating to the Bonds in Book Entry Form, any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the office designated for such purpose of the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount. The Bond Registrar shall not be required to transfer or exchange any Bond during the 15 days prior to a principal or interest payment date. The Bond Registrar shall not be required to transfer or exchange any Bond during the period of 15 days preceding the giving of notice of redemption of Bonds or to transfer or exchange any Bond all or a portion of which has been called for redemption. The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; provided, however, the principal amount of Bonds and maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of the Bonds and maturity less the amount of such Bonds which have been paid. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his (her) legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. No service charge shall be made to any registered owner of Bonds for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

**Section 10. Form of Bond.** The Bonds shall be in substantially the following form:

REGISTERED NO.

CUSIP

REGISTERED \$

UNITED STATES OF AMERICA, STATE OF ILLINOIS, COOK AND KANE COUNTIES  
VILLAGE OF HOFFMAN ESTATES  
GENERAL OBLIGATION REFUNDING BOND, SERIES 2018

Interest Rate: %

Maturity Date:

Dated Date:

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS, that the Village of Hoffman Estates, Cook and Kane Counties, Illinois (the "Village"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Dated Date identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above on December 1 and June 1 each year, commencing December 1, 2018, until said Principal Amount is paid or duly provided for, except as the hereinafter stated provisions for redemption prior to maturity may be and become applicable hereto. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the office designated for such purpose of Amalgamated Bank of Chicago, Chicago, Illinois, as paying agent (the "Paying Agent") and bond registrar (the "Bond Registrar"). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by the Bond Registrar, at the close of business on the Record Date for each interest payment date and shall be paid by check or draft of the Paying Agent, payable upon presentation at the Bond Registrar in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books, or at such other address furnished in writing by such Registered Owner to the Bond Registrar, or as otherwise agreed by the Village and Cede & Co., as nominee, or successor, for so long as this Bond is held by The Depository Trust Company, New York, New York, the depository, or nominee, in book entry only form as provided for same. Record Date means the close of business on the fifteenth day of the month next preceding an interest payment date which occurs on the first day of any month, and the fifteenth day preceding any interest payment day occasioned by the redemption of the Bonds on other than the first day of a month.

The Bonds shall be direct and general obligations of the Village. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the Village are hereby irrevocably pledged.

[Mandatory redemption and optional redemption provisions, as applicable, to be inserted here.]

[Notice of any optional redemption shall be sent by first class mail or e-mail not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the Village maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.]

This Bond is one of the Bonds issued by the Village to pay for the costs of the Refunding, all as authorized pursuant to the provisions of Illinois law, including, specifically, the Illinois Municipal Code, as amended, the Local Government Debt Reform Act, as amended, the Omnibus Bond Acts, and as further supplemented and, where necessary, superseded, by the powers of the Village as a home rule unit under the provisions of Section 6 of Article VII of the Illinois Constitution of 1970, and under Ordinance No. \_\_\_\_-2018, duly passed by the Board of Trustees on \_\_\_\_\_, 2018 authorizing the Bonds, as supplemented by a Bond Order dated \_\_\_\_\_, 2018 executed by the Village President (collectively, the "Bond Ordinance").

This Bond is subject to provisions relating to registration, transfer and exchange; and such other terms and provisions relating to security and payment as are set forth in the Bond Ordinance, to which reference is hereby expressly made, and to all the terms of which the Registered Owner hereof is hereby notified and shall be subject.

The Bonds are secured by the general obligation of the Village for the payment of which the Village in the Bond Ordinance has pledged its full faith and credit and levied *ad valorem* taxes, unlimited as to rate or amount, upon all taxable property within the Village sufficient to pay the principal and interest thereon. The Village reserves the right to issue obligations on a parity basis with the Bonds.

The Bonds shall initially be issued in a Global Book Entry System (as provided in the Bond Ordinance). The provisions of this Bond and of the Bond Ordinance are subject in all respects to the provisions of the Representations Letter between the Village and The Depository Trust Company, or any substitute agreement, affecting such Global Book-Entry System.

The Village and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered in the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of or on account of the principal of or interest thereon, and for all other purposes whatsoever; all such payments so made to any such registered owner or upon such registered owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid; and neither the Village nor the Bond Registrar shall not be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions, and things required by law to exist or to be done precedent to or in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the Village including the issuance of the Bonds of which this is one, does not exceed any limitation imposed by law, and that provision has been made for the collection of a direct annual tax to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

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

IN WITNESS WHEREOF, the Village of Hoffman Estates, Cook and Kane Counties, Illinois, by its Board of Trustees, has caused this Bond to be signed by the duly authorized manual or facsimile signatures of the Village President and the Village Clerk, all as appearing hereon and as of the Dated Date as identified above.

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Village President

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Village Clerk

Date of Authentication:

CERTIFICATE  
OF  
AUTHENTICATION

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

This Bond is one of the bonds issued in the within mentioned Bond Ordinance.

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

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Village or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

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### ASSIGNMENT

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

(Name and Address and Social Security or other identifying number of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

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

\_\_\_\_\_  
Signature of Assignee

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

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

**Section 11. Sale of Bonds.** The Village Treasurer is hereby authorized to proceed, without any further authorization or direction from the Board of Trustees, to sell and deliver the Bonds to the Purchaser as herein provided at not less than the Purchase Price as shall be set forth in the Bond Order relating to same. The Purchaser is authorized to pay all or a portion of the cost of issuance of the Bonds and receive a credit against the Purchase Price of the Bonds therefor. Upon the sale of the Bonds, any of the Designated Officials are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the Bond Purchase Agreement and closing documents including such certification and documentation as may be required by bond counsel approving the Bonds, including, specifically, a tax compliance certificate, to render their opinion as to the Tax-Exempt status of the interest on any Bond pursuant to the Code. It is hereby found that no person holding any office of the Village, either by election or appointment, is in any manner financially interested, either directly, in his or her own name, or indirectly, in the name of any other person, association, trust or corporation, in the sale of the Bonds.

A bond purchase agreement for the sale of each series of Bonds to the Purchaser (the "Bond Purchase Agreement") substantially in the form as approved for execution by the Village Attorney, is hereby in all respects authorized and approved. A Designated Official signing the Bond Purchase Agreement is hereby authorized to execute the same, and execution shall constitute full and complete approval of all necessary or appropriate completions and revisions as shall appear therein. Upon the sale of each series of Bonds, a Designated Official shall execute the Bond Order which shall include the pertinent details of sale as provided herein, and such shall be entered into the records of the Village and made available to the Board of Trustees at the next public meeting thereof.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the "Official Statement") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Village are hereby authorized to take any action as may be required on the part of the Village to consummate the transactions contemplated by the Bond Purchase Agreement, this Ordinance, the Bond Order, the Preliminary Official Statement, the Official Statement and the Bonds. The Village President or the Village Clerk are hereby each authorized to designate the Official Statement as "final" for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

**Section 12. Security; Tax Levy, Bond Fund and Abatement.** The Bonds are a general obligation of the Village, for which the full faith and credit of the Village are irrevocably pledged, and are payable from the levy of the taxes on all of the taxable property in the Village, without limitation as to rate or amount, in an amount sufficient to produce the sums necessary to

pay the interest on the Bonds as it falls due and to pay and discharge the principal thereof at maturity (the "Pledged Taxes"). For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, there is hereby levied upon all the taxable property within the Village, in the years for which any of the Bonds are Outstanding, a direct annual tax sufficient for that purpose. The Village President is hereby directed to file with the County Clerks as part of the Bond Order, a levy of taxes upon all taxable property in the Village in addition to all other taxes, a direct annual tax in an amount sufficient to produce the sums necessary to pay the interest on the Bonds as it falls due and to pay and discharge the principal thereof at maturity. It shall be the duty of the County Clerks to ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the Village in connection with other taxes levied in said year for general and special purposes, in order to raise the respective amounts as provided in the Bond Order and in said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general and special purposes of the Village, and when collected, the Pledged Taxes hereby levied shall be placed to the credit of a special fund to be designated "Series 2018 Bond Fund," which funds are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal and interest on the Bonds.

Principal or interest coming due at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the Village, and the fund from which such payment was made shall be reimbursed from the Pledged Taxes when the same shall be collected.

The Village covenants and agrees with the purchasers and the holders of the Bonds that so long as the Bonds remains Outstanding, except as herein otherwise specifically provided, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the foregoing tax levy. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied, extended and collected as provided herein and deposited into the appropriate Bond Fund. To the extent that the Village has funds available on March 1, 2019, and on the 1<sup>st</sup> day of each March thereafter (or on the last day provided for a levy of a tax for principal and interest on bonds, as currently established in 30 ILCS 350/16), to timely pay the principal and interest on the Bonds on the ensuing June 1 and December 1, the Village Treasurer or the Village Manager are each hereby authorized to fully or partially abate the tax levy for any series of Bonds by filing a certificate of abatement with the County Clerks.

**Section 13. Creation of Proceeds Funds; Appropriation; and Escrow Account.** The Proceeds Fund is hereby created for the Bonds which shall consist of the Expense Account and the Refunding Account (the “Refunding Account”). Bond proceeds and other funds of the Village as noted are hereby appropriated and shall be deposited for use as follows:

A. Accrued interest, if any, on the Bonds shall be used to pay the first interest due on the Bonds and to such end are hereby appropriated for such purpose and ordered to be deposited into the Bond Fund.

B. The amount necessary from the proceeds of the Bonds is hereby appropriated for and shall be used to pay costs of issuance of the Bonds; and shall be deposited into a separate account, hereby created, designated as the Expense Account. Any disbursement from such account shall be made from time to time as necessary. Any excess in the Expense Account shall be deposited into the appropriate Bond Fund after 30 days from the date of issuance of the Bonds. At the time of issuance of the Bonds, the costs of issuance may, at the request of the Village, be paid by the Purchaser on behalf of the Village from the proceeds of the Bonds.

C. The amount necessary from the proceeds of the Bonds, together with such money in the existing bond funds for the Prior Bonds, and such additional amounts as may be necessary from the general funds of the Village, are hereby appropriated for, shall be used to pay for the costs of the Refunding, and shall be deposited into the Refunding Account. The Refunding Account shall be maintained in an escrow account (the “Escrow Account”), with the Escrow Agent, pursuant to a Refunding Escrow Agreement hereby authorized for the purpose of paying the principal of, premium, if any, and interest as provided above. The Board of Trustees approves the form, terms and provisions of the Refunding Escrow Agreement and directs the Village President and Village Clerk to execute, attest, and deliver the Refunding Escrow Agreement in the name and on behalf of the Village. Amounts in the escrow may be used to purchase open-market Government Securities, sufficient to provide for the Refunding. The Escrow Agent is hereby authorized to act as agent for the Village in the purchase of the Government Securities, if any. In the event that U.S. Treasury Securities – State and Local Government Series are not available or in the event that open-market Government Securities provides for a greater savings, the Escrow Agent and the Village are hereby authorized to use a bidding agent as designated in the Bond Order, to facilitate the purchase of the Government Securities. The Verification Agent is hereby authorized and shall prepare a verification report concerning the moneys deposited into the Escrow Account.

**Section 14. Call of the Refunded Bonds.** In accordance with the redemption provisions of the Prior Bond Ordinance, the Board of Trustees hereby makes provision for the payment of and does hereby authorize a Designated Officer to call (subject only to the delivery of the Bonds) all of the Refunded Bonds for redemption and payment prior to maturity on December 1, 2018.

**Section 15. Defeasance of the Bonds.** Any Bond or Bonds: (a) which are paid and canceled; (b) which have matured and for which sufficient sums been deposited with a bank or trust company authorized to keep trust accounts to pay all principal and interest due thereon; or (c) for which sufficient United States funds and Government Securities have been deposited with a bank or trust company authorized to keep trust accounts, taking into account investment earnings on such obligations, to pay all principal of and interest on such Bond or Bonds when due at maturity or as called for redemption, pursuant to an irrevocable escrow or trust agreement (such Bonds as described in this clause (c) being “Defeased Bonds”), shall cease to have any lien on or right to receive or be paid from the Pledged Taxes and shall no longer have the benefits of any covenant for the registered owners of Outstanding Bonds as set forth herein as such relates to lien and security of the Outstanding Bonds. All covenants relative to the Tax-Exempt status of such Bond or Bonds; and payment, registration, transfer, and exchange are expressly continued for all Bonds whether Outstanding Bonds or not.

**Section 16. General Tax Covenants.** The Village hereby covenants that it will not take any action, omit to take any action, or permit the taking or omission of any action, within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting, or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Village acknowledges that, in the event of an examination by the Internal Revenue Service (the “IRS”) of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the Village may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such examination.

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

The Board of Trustees hereby authorizes the Designated Officials to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be Tax-Exempt. In furtherance therewith, the Village and the Board of Trustees further agree: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e)



if deemed necessary or advisable by the Designated Officials, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

**Section 17. Not Private Activity Bonds.** None of the Bonds is a “private activity bond” as defined in Section 141(a) of the Code. In support of such conclusion, the Village certifies, represents and covenants as follows:

A. None of the proceeds of the Prior Bonds, or of the Bonds, were or are to be used, directly or indirectly, in any trade or business carried on by any person other than a state or local governmental unit.

B. No direct or indirect payments were or are to be made on the Prior Bonds or the Bonds with respect to any private business use by any person other than a state or local governmental unit other than generally as a rate payer.

C. None of the proceeds of the Prior Bonds or the Bonds were or are to be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

D. No user of the Prior Project, other than the Village, did or will use the same on any basis other than the same basis as the general public; and no person will be a user as a result of (1) ownership, (2) actual or beneficial use pursuant to a lease, a management or incentive payment contract, or (3) any other arrangement.

**Section 18. Continuing Disclosure Undertaking.** The Designated Officials are each hereby authorized, empowered and directed to execute and deliver a continuing disclosure undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the “Continuing Disclosure Undertaking”). When such Continuing Disclosure Undertaking is executed and delivered on behalf of the Village, it will be binding on the Village and the officers, agents, and employees of the Village, and the same are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Continuing Disclosure Undertaking as executed. Notwithstanding any other provisions of this Ordinance, the sole remedies for failure to comply with such Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under the Continuing Disclosure Undertaking.

**Section 19. Noncompliance with Tax Covenants.** Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance and other documents executed by the Village which are designed to preserve the exclusion of interest

on the Bonds from gross income under federal law need not be complied with if the Village receives an opinion of nationally recognized bond counsel that any such provision is unnecessary to preserve the exemption from federal taxation.

**Section 20. Registered Form.** The Village recognizes that Section 149(j) of the Code, as amended, requires the Bonds to be issued and to remain in fully registered form in order that interest thereon not be includable in gross income for federal income tax purposes under laws in force at the time the Bonds are delivered. The Village will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

**Section 21. Reimbursement.** None of the proceeds of the Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the Village prior to the date hereof.

**Section 22. Ordinance to Constitute a Contract.** The provisions of this Ordinance shall constitute a contract between the Village and the registered owners of the Bonds. Any pledge made in this Ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Village shall be for the equal benefit, protection and security of the owners of the Bonds. Each of the Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Ordinance. This Ordinance shall constitute full authority for the issuance of the Bonds.

**Section 23. Amendments of and Supplements to the Ordinance.**

A. *Without Consent of Bondholders.* The Village may amend or supplement this Ordinance or the Bonds without notice to or consent of any Bondholder:

- (1) to cure any ambiguity, inconsistency or formal defect or omission;
- (2) to grant for the benefit of the Bondholders additional rights, remedies, powers or authority;
- (3) to provide for additional collateral for the Bonds or to add other agreements of the Village;
- (4) to modify this Ordinance or the Bonds to permit qualifications under the Trust Indenture Act of 1939 or any similar Federal statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States; or

(5) to make any change (including, but not limited to, a change to reflect any amendment to the Code or interpretations by the IRS of the Code) that does not materially adversely affect the rights of any Bondholder.

B. *With Consent of Bondholders.* If an amendment of or supplement to this Ordinance or the Bonds without any consent of Bondholders is not permitted by the preceding paragraph, the Village may enter into such amendment or supplement upon not less than 30 days, notice to Bondholders and with the consent of the holders of at least a majority in principal amount of the Outstanding Bonds. However, without the consent of each Bondholder affected, no amendment or supplement may:

- (1) extend the maturity of the principal of, or interest on, any Bond;
- (2) reduce the principal amount of, or rate of interest on, any Bond;
- (3) affect a privilege or priority of any Bond over any other Bond;
- (4) reduce the percentage of the principal amount of the Bonds required for consent to such amendment or supplement;
- (5) impair the exclusion of interest on the Bonds from the federal gross income of the owner of any Bond; or
- (6) eliminate any mandatory redemption of the Bonds or call for mandatory redemption or reduce the redemption price of such Bonds.

C. *Effect of Consents.* After an amendment or supplement becomes effective, it will bind every Bondholder. For purposes of determining the total number of Bondholders' consents, each Bondholder's consent will be effective with respect to the Bondholder who consented to it and each subsequent holder of a Bond or portion of a Bond evidencing the same debt as the consenting holder's Bond.

D. *Notation on or Exchange of Bonds.* If an amendment or supplement changes the terms of the Bond, the Village may require the holder to deliver it to the Bond Registrar. The Bond Registrar may place an appropriate notation on the Bond about the changed terms and return it to the holder. Alternatively, if the Bond Registrar and the Village determine, the Village in exchange for the Bond will issue and the Bond Registrar will authenticate a new Bond that reflects the changed terms.

**Section 24. Tax Levy for Prior Bonds.** The Designated Officials are hereby authorized to file a certificate of abatement with the Cook County Clerk and the Kane County Clerk abating

the tax levy for the Refunded Bonds to the extent that such tax levies are not used to pay for the debt service on the Bonds.

**Section 25. Home Rule Authority.** This Ordinance is prepared in accordance with the powers of the Village as a home rule unit under Article VII of the 1970 Illinois Constitution.

**Section 26. Supplemental Documents.** The Designated Officials are hereby authorized to execute or attest such documents as necessary to carry out the intent of this Ordinance, the execution of such documents to constitute conclusive evidence of their approval and approval hereunder.

**Section 27. Severability.** If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

**Section 28. Repealer and Effective Date.** All resolutions, ordinances, orders or parts thereof in conflict herewith be and the same are hereby repealed, and this Ordinance shall be in full force and effect forthwith upon its passage.

PASSED by the Village President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois on \_\_\_\_\_, 2018, by the following roll call vote:

	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen V. Mills				
Trustee Anna Newell				
Trustee Gary J. Pilafas				
Trustee Gary G. Stanton				
Trustee Michael Gaeta				
Trustee Karen J. Arnet				
Village President William D. McLeod				

APPROVED:

\_\_\_\_\_  
William D. McLeod, Village President

ATTEST:

\_\_\_\_\_  
Bev Romanoff, Village Clerk

Published in pamphlet form this \_\_\_\_ day of \_\_\_\_\_, 2018.