
VILLAGE OF LONG GROVE

LAKE COUNTY

STATE OF ILLINOIS

ORDINANCE NO. _____

**AN ORDINANCE PROVIDING FOR ISSUANCE OF
VILLAGE OF LONG GROVE, LAKE COUNTY, ILLINOIS
HERON'S LANDING WATER SPECIAL SERVICE AREA
SPECIAL TAX BONDS, SERIES 2011**

ADOPTED BY THE
PRESIDENT AND BOARD OF TRUSTEES
OF THE
VILLAGE OF LONG GROVE
LAKE COUNTY
STATE OF ILLINOIS

The 22nd day of November, 2011

Published in pamphlet form by authority of the President and Board of Trustees of the Village of Long Grove, Lake County, Illinois this ___ day of November, 2011.

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BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF
THE VILLAGE OF LONG GROVE, 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 Long Grove, Lake County, Illinois (the "Village") as follows:

(a) The Village has previously established Herons Landing Water Special Service Area described more fully in Exhibit A to this Ordinance (the "Special Service Area") pursuant to Ordinance No. 2011-0-21 adopted on June 28, 2011, as amended by Ordinance No: 2011-0-31 adopted on October 25, 2011 entitled "An Ordinance Amending Ordinance No. 2011-O-21 Establishing Village of Long Grove Special Service Area For Providing Lake Michigan Water to the Herons Landing Subdivision," (the "Amending Ordinance") and as further amended by Ordinance No. 2011-O-_____ adopted on November 22, 2011 (collectively, the "Establishing Ordinance") 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) It is necessary and in the best interests of the Village to provide at this time special services benefiting the Special Service Area consisting of the acquisition, construction and installation of new water distribution facilities to serve the Special Service Area to provide the Special Service Area with a safe and adequate potable water supply from Lake Michigan water (the "Special Services"). The Village presently estimates the total cost of these Special Services together with costs of borrowing money for that purpose, funding initial administrative expenses and providing for necessary debt service reserves (collectively, the "Costs of the Special Services") to be not more than \$3,300,000.

(c) The Village does not have sufficient funds on hand or available from other sources with which to pay the entire costs of the Special Services.

(d) It is in the best interests of the Village to issue, two series of bonds in the aggregate principal amount of \$1,800,000 and designated Herons Landing Water Special Service Area Special Tax Bonds, Series 2011 (the "Bonds") as provided in this Ordinance, to pay or provide funds for a portion of the Costs of the Special Services.

(e) The borrowing of the sum of \$1,800,000 and the issuance of the Bonds in that amount are for purposes constituting special services in the Special Service Area under the Special Service Area Act.

(f) After due publication of a notice as required by the Special Service Area Act, a public hearing to consider the establishment of the Special Service Area, the issuance of the Bonds for the purpose of paying the costs of the Special Services and the manner in which the Bonds are proposed to be retired and the proposed tax levy, was held on January 11, 2011 at 7:00 p.m. An objection petition was filed with respect to the establishment of the Special Service Area on March 10, 2011 (the “March Objection Petition”) by approximately 25% of the owners of record of property within the Special Service Area.

(g) The question of enlarging the boundaries of the territory of the proposed Herons Landing Water SSA was considered by the Village Board pursuant to “An Ordinance proposing the Enlargement of the Proposed Village of Long Grove Special Service Area for Providing Lake Michigan Water to the Herons Landing Subdivision,” being Ordinance No. 2011-O-18, adopted on May 24, 2011.

(h) Pursuant to Ordinance No. 2011-O-18, a public hearing was held and concluded on June 14, 2011 to consider the enlargement of the territory of the proposed Herons Landing Water SSA to include Lot 123, which hearing was held pursuant to notice duly published in the *Daily Herald*, a newspaper of general circulation within the Village of Long Grove, at least fifteen days prior to the hearing. Notice by certified mail, return receipt requested, was also sent to the owner of Lot 123 (which parcel had an assessed valuation of less than 5% of the assessed valuation of the originally contemplated territory of the proposed Herons Landing Water SSA); said notice was posted not less than ten days prior to the date set for the public hearing.

(i) Prior to the adoption of the Amending Ordinance an additional public hearing was held and concluded on August 23, 2011 at 7:00 p.m. to consider the amendments to the Establishing Ordinance which hearing was held pursuant to notice duly published in the *Daily Herald*, a newspaper of general circulation within the Village of Long Grove, on August 8, 2011, which date was at least fifteen days prior to the date of the hearing and by certified mail, return receipt requested, on August 12, 2011 to the owners of property within the Special Service Area as required by the Special Service Area Act; said notice was posted not less than ten days prior to the date set for the public hearing. No objection petition was filed with respect to such amendments.

(j) Other than the March Objection Petition, no additional objection petitions to the establishment of the Herons Landing Water SSA, the enlargement of the Special Service Area or to the Amending Ordinance or changes reflected in the Amending Ordinance, has been filed with the Village Clerk and no objection petition has been filed which meets the statutory requirement that it be signed by at least 51% of the owners of record of property within the Special Service Area and 51% of the electors residing within the Special Service Area following the public hearings held on January 11, 2011, June 14, 2011 and August 23, 2011.

Section 2. Issuance of Bonds. The Village shall borrow the aggregate sum of \$1,800,000 by issuing two series of Bonds as provided in this Ordinance. One series shall provide the interest payable thereon is exempt from federal income taxes (the “Tax-Exempt”

Bonds” or “Series 2011A Bonds”), shall be designated “Village of Long Grove, Lake County, Illinois Herons Landing Water Special Service Area Tax-Exempt Special Tax Bonds, Series 2011A,” and shall be issued in the aggregate principal amount of \$1,365,000. The other series shall provide the interest payable thereon is taxable for federal income tax purposes (the “Taxable Bonds” or “Series 2011B Bonds”), shall be designated “Village of Long Grove, Lake County, Illinois Herons Landing Water Special Service Area Taxable Special Tax Bonds, Series 2011B” and shall be issued in the aggregate principal amount of \$435,000. The Bonds shall be issued for the purpose of providing a portion of the funds needed for the costs of the Special Services. 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 “Debt Act”).

Section 3. 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 Amalgamated Bank of Chicago, as Trustee (the “Trustee”), to be dated as of December 1, 2011, which form of Indenture is attached as Exhibit B to this Ordinance;
- (b) a form of Bond Purchase Agreement (the “Bond Purchase Agreement”) among the Village and Bernardi Securities Inc., as Underwriter (the “Underwriter”) to be dated the date hereof, which form of Bond Purchase Agreement is attached as Exhibit C to this Ordinance;
- (c) a form of the preliminary Official Statement (the “Preliminary Official Statement”) 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;
- (d) a form of Continuing Disclosure Agreement by the Village which form of Continuing Disclosure Agreement is attached as Exhibit E to this Ordinance; and
- (e) a form of Tax Intercept Agreement among the Village, Lake County, Illinois and the Trustee, which form of Tax Intercept Agreement is attached as Exhibit F 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 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 the final Official Statement in substantially the form of the preliminary Official Statement presented hereto with such changes, additions or deletions as they deem appropriate to reflect the final terms of the Bonds, the Indenture and other matters.

Section 4. Bond Terms. The Bonds shall be issued as provided in the Indenture and shall be issued in the aggregate principal amounts set forth in Section 2, shall be dated as of their date of issuance, shall mature on the dates, in the principal amounts and bear interest at the rates as set forth below:

(a) The Series 20011A Bonds shall bear interest and mature on December 15 in each of the years and in the principal amounts as follows:

<u>Year</u> (December 15)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2025	\$50,000.00	5.000%
2026	55,000.00	5.100%
2027	55,000.00	5.150%
2028	60,000.00	5.200%
2029	65,000.00	5.250%
2030	65,000.00	5.300%
2031	70,000.00	5.400%
2033	155,000.00	5.500%
2035	165,000.00	5.600%
2037	185,000.00	5.700%
2041	440,000.00	5.800%

The first Interest Payment Date shall be December 15, 2012.

(b) The Series 2011B Bonds shall bear interest and mature on December 15 in each of the years and in the principal amounts as follows:

<u>Year</u> (December 15)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2016	\$135,000.00	4.500%
2021	175,000.00	5.250%
2024	125,000.00	6.000%

The first Interest Payment Date shall be December 15, 2012.

The Bonds shall be subject to redemption as set forth in Article IV of the Indenture. The proceeds of the Bonds shall be deposited into the Funds and Accounts as described in Section 5.1 of the Indenture.

Section 5. 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.

Each series of the Bonds shall be in substantially the forms 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, as amended, 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 forms 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 6. Bonds are Limited Obligations; Levy of Special Tax; Pledge. The Bonds shall constitute limited obligations of the Village, payable from the Special Taxes (as defined below) levied on certain taxable real property within the Special Service Area in the amounts and on the dates set forth below in accordance with the Special Tax Roll. 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.

For the purpose of providing funds to pay the principal of and interest on the Bonds replenishing any debt service reserve fund and paying administrative expenses related to the special service area, there is hereby levied upon certain taxable property in Herons Landing Water Special Service Area within the Village as further provided in the Establishing Ordinance and Special Tax Roll attached thereto a direct annual tax (the "Special Tax") for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and that there be and there is hereby levied upon such taxable property in the Special Service Area in accordance with the Special Tax Roll, the direct annual tax in the amounts as follows:

For the Levy <u>Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
2011	\$129,800
2012	129,800
2013	129,800
2014	129,800
2015	129,800
2016	129,800
2017	129,800
2018	129,800
2019	129,800
2020	129,800
2021	129,800
2022	129,800
2023	129,800
2024	129,800
2025	129,800
2026	129,800
2027	129,800
2028	129,800
2029	129,800
2030	129,800
2031	129,800
2032	129,800
2033	129,800
2034	129,800
2035	129,800
2036	129,800
2037	129,800
2038	129,800
2039	129,800
2040	129,800

Such tax shall be computed, extended and collected in accordance with the Special Tax Roll created pursuant to, and included as part of, the Establishing Ordinance.

Pursuant to the Establishing Ordinance as amended, the Special Taxes shall be computed, extended and collected, and divided equally among the taxable real property within the Special Service Area on a single family residential lot basis (other than Lot 123 which cannot be developed with any single family residence and other than those lots for which prepayments of the Special Taxes have been made) all in accordance with the terms of the Establishing Ordinance and the Special Tax Roll attached thereto. The Village shall take all actions which shall be necessary to provide for the levy, extension, collection and application of the taxes required to be levied as provided by this Ordinance and the Special Tax Roll, including enforcement, of such taxes as provided by law but only as set forth in Section 7(a) below.

The Special Taxes levied as provided herein 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 Section 7.1 of the Indenture.

Section 7. Special Covenants. The Village covenants with the holders of the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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; (iii) will take no action or permit any action in the investment of the proceeds of the Bonds, amounts held under the Indenture or any other funds of the Village which would result in making interest on the Tax-Exempt Bonds subject to federal income taxes by reason of causing the Tax-Exempt 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. 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 Tax-Exempt Bonds shall not constitute arbitrage bonds as so defined.

The Village further covenants with the holders of the 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 Special Taxes imposed by or pursuant to this Ordinance or the Establishing Ordinance, including enforcement of the Special Taxes 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 Treasurer’s annual tax sale;

(b) it will not take any action which would adversely affect the levy, extension, collection and application of the Special Taxes, except to abate the Special Taxes to the extent permitted by the Establishing Ordinance or the Indenture in the event excess funds are on deposit in the Bond and Interest Fund; 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 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 as described in paragraph (a) above.

Section 8. Qualified Tax-exempt Obligations. The Village recognizes the provisions of Section 265(b)(3) of the Code which provide that a “qualified tax-exempt obligation” as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The Village hereby designates the Series 2011A Bonds for purposes of Section 265(b)(3) of the Code as a “qualified tax-exempt obligation” as provided therein.

In support of such designation, the Village certifies, represents and covenants as follows:

(a) The Series 2011A Bonds are not “private activity bonds” as defined in Section 141(a) of the Code.

(b) Including the Series 2011A Bonds, the Village (including any entities subordinate thereto) has not and does not reasonably expect to issue in excess of \$10,000,000 in “qualified tax-exempt obligations” (as such term is defined in the Code) during calendar year 2011.

(c) Including the Series 2011A Bonds, not more than \$10,000,000 of obligations issued by the Village (including any entities subordinate thereto) during calendar year 2011 have been to date or will be designated by the Village for purposes of said Section 265(b)(3).

Section 9. Additional Authority. The Village President, the Village Clerk 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 Tax-Exempt Bonds shall not constitute arbitrage bonds as defined in Section 7 above.

Section 10. Filing of Ordinance. Forthwith upon this Ordinance becoming effective, the Clerk of the Village is hereby directed to file a certified copy of this Ordinance which certificate shall recite that this Ordinance has been passed by the President and Board of Trustees of the Village and published, with the County Clerk of Lake County (the “County Clerk”). Pursuant to the Establishing Ordinance, the Special Tax shall be computed, extended and collected, and divided among the taxable real property within the Special Service Area in accordance with the terms of the Establishing Ordinance and the Special Tax Roll and it shall be the duty of said County Clerk annually and in and for the years 2011 through 2040, to extend the tax in accordance with the Special Tax Roll for collection on the tax books against all of the taxable property within the Special Service Area in accordance with the Special Tax Roll and in addition to other taxes levied in each of said years, respectively, in and by said Village, and when collected, the taxes hereby levied shall be used only for the purpose of paying the principal of and interest on the Bonds as provided in the Indenture.

Section 11. 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 12. Repealer and Effective Date. 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 is passed by the President and Board of Trustees as an emergency measure, as it is urgent that this Ordinance become effective to permit the immediate issuance and sale of the Bonds. Therefore, this Ordinance shall be in full force and effect immediately upon passage and approval, provided it is passed by the affirmative vote of at least two-thirds of all the members of the Board of Trustees. This Ordinance shall be in full force and effect after passage and publication as provided by law.

PASSED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF
LONG GROVE, LAKE COUNTY, ILLINOIS THIS ____ DAY OF NOVEMBER, 2011.

VOTING AYE: _____

VOTING NAY: _____

ABSENT: _____

ABSTAINED: _____

NOT VOTING: _____

APPROVED:

Village President

ATTEST:

Village Clerk

EXHIBIT A

Legal Description of Special Service Area

Legal Description:

Lots 1 through 29, Lots 31 through 119, and Lot 123 of Herons Landing, a Subdivision of Part of Section 17, Township 43 North, Range 11 East of the Third Principal Meridian, in Lake County, Illinois.

PIN Numbers:

1517201067	1517201043	1517201005	1517202022
1517201068	1517201042	1517201004	1517202023
1517201069	1517201041	1517201003	1517202024
1517201066	1517201028	1517201002	1517202030
1517201065	1517201027	1517201001	1517202029
1517201064	1517201026	1517105001	1517202028
1517201063	1517201025	1517105002	1517202027
1517201062	1517201024	1517202001	1517202026
1517201061	1517201023	1517202002	1517202025
1517201060	1517201022	1517202003	1517202019
1517201059	1517201021	1517202004	1517202011
1517201058	1517201020	1517202005	1517105005
1517201057	1517201019	1517202006	1517105006
1517201056	1517201018	1517202007	1517105007
1517201055	1517201017	1517202008	1517105004
1517201054	1517201016	1517202009	1517105003
1517201044	1517201015	1517202010	1517101037
1517201045	1517201014	1517202018	1517101038
1517201046	1517201013	1517202017	1517101039
1517201047	1517201012	1517202016	1517101040
1517201048	1517201011	1517202015	1517101041
1517201049	1517201010	1517202014	1517101042
1517201050	1517201009	1517202013	1517101043
1517201051	1517201008	1517202012	1517101044
1517201052	1517201007	1517202020	1517101045
1517201053	1517201006	1517202021	1517101046

1517101047
1517101048
1517101049
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1517101052
1517201029
1517201030
1517201031
1517201032
1517201033
1517201034
1517201035
1517201036
1517201037

EXHIBIT B

Form of Trust Indenture

EXHIBIT C

Form of Bond Purchase Agreement

EXHIBIT D

Form of Preliminary Official Statement

EXHIBIT E

Form of Continuing Disclosure Agreement

EXHIBIT F

Form of Tax Intercept Agreement