



# VILLAGE OF ORLAND PARK

14700 Ravinia Avenue  
Orland Park, IL 60462  
[www.orland-park.il.us](http://www.orland-park.il.us)

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**Ordinance No: 4484**

**File Number: 2009-0225**

AN ORDINANCE AUTHORIZING AND DIRECTING THE EXECUTION OF AN ESCROW AGREEMENT IN CONNECTION WITH THE ISSUE OF \$7,785,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009, OF THE VILLAGE OF ORLAND PARK, COUNTIES OF COOK AND WILL, ILLINOIS (THE "VILLAGE") AND THE ADVANCE REFUNDING OF THE VILLAGE'S GENERAL OBLIGATION BONDS, SERIES 2001.

## VILLAGE OF ORLAND PARK STATE OF ILLINOIS, COUNTIES OF COOK AND WILL

Published in pamphlet form this 5th day of May, 2009 by authority of the President and Board of Trustees of the Village of Orland Park, Cook and Will Counties, Illinois.

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## Ordinance No: 4484

AN ORDINANCE AUTHORIZING AND DIRECTING THE EXECUTION OF AN ESCROW AGREEMENT IN CONNECTION WITH THE ISSUE OF \$7,785,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009, OF THE VILLAGE OF ORLAND PARK, COUNTIES OF COOK AND WILL, ILLINOIS (THE "VILLAGE") AND THE ADVANCE REFUNDING OF THE VILLAGE'S GENERAL OBLIGATION BONDS, SERIES 2001.

WHEREAS, the Village of Orland Park, Counties of Cook and Will, Illinois (the "Village"), is a municipal corporation of the State of Illinois; and

WHEREAS, the Village has a population in excess of 25,000 as determined by the last official census, and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, the Village is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the powers to tax and incur debt; and

WHEREAS, pursuant to the provisions of said Section 6, the Village has the power to incur debt payable from ad valorem tax receipts or from any other lawful source and maturing within 40 years from the time it is incurred without prior referendum approval; and

WHEREAS, the Village has heretofore issued the Village's General Obligation Bonds, Series 2001 (the "Prior Bonds"), in the original principal amount of \$10,000,000, of which \$8,130,000 aggregate principal amount of the Prior Bonds are presently outstanding and unpaid; and

WHEREAS, the Village, has provided by ordinance adopted by the President and Board of Trustees of the Village (the "Board") on the 4th day of May, 2009 (the "Bond Ordinance"), for the issuance of its General Obligation Refunding Bonds, Series 2009, in an aggregate principal amount of \$7,785,000 (the "Bonds"), for the purpose of refunding in advance of their maturity a portion of the Prior Bonds (the "Outstanding Bonds"); and

WHEREAS, in order to properly provide for the refunding of the Outstanding Bonds, it will be necessary to place proceeds of the Bonds, together with certain funds of the Village on hand and legally available for such purpose, in trust with Cole Taylor Bank to be invested by Cole Taylor Bank, on behalf of the Village, in direct and general full faith and credit obligations of the United States Treasury ("Directs"), Certificates of participation or trust receipts in trusts comprised wholly of Directs, or other obligations unconditionally guaranteed as to time by payment by the United States Treasury (collectively, "Defeasance Obligations") the United States of America, the principal of and interest on which will be sufficient, when added to such beginning demand deposit with the escrow agent as may be necessary, to pay when due, all interest on and to pay at maturity or upon redemption all principal of and premium, if any, on the Outstanding Bonds; and

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WHEREAS, in accordance with the terms of the Outstanding Bonds and with the provisions of an escrow agreement, the Outstanding Bonds are to be called for redemption in advance of maturity, and it is necessary to make such call and provide for the giving of proper notice to holders or registered owners of the Outstanding Bonds; and

WHEREAS, it is necessary that the Board authorize the form of escrow agreement (the “Agreement”) with an escrow agent and direct the execution of such Agreement by officers of the Village:

NOW, THEREFORE, BE IT ORDAINED by the President and the Board of Trustees of the Village of Orland Park, Counties of Cook and Will, Illinois, as follows:

### SECTION 1

Definitions. The words and terms used in this ordinance shall have the definitions set forth for them in the form of Agreement provided herein, unless the context or use of same shall clearly indicate that another meaning is intended.

### SECTION 2

The Funding of the Escrow. \$7,815,928.36 of the sale proceeds of the Bonds, together with such further amounts as may be necessary from the general funds of the Village, shall be used to acquire the Defeasance Obligations and to provide a beginning cash deposit to provide for the payment of all interest due or becoming due on the Outstanding Bonds and all principal of and premium, if any, on the Outstanding Bonds at maturity or applicable date of redemption. Such proceeds and general funds of the Village will be deposited in trust in the Escrow Account with Cole Taylor Bank, as Escrow Agent, as provided in this ordinance. The amount of the proceeds of the Bonds and the amount of funds of the Village on hand and legally available which are necessary to be deposited in the Escrow Account shall be conclusively established under the terms of the Agreement, which will be executed by designated officers of the Village, and such officers are hereby authorized to make such determination.

### SECTION 3

Call of Certain of the Outstanding Bonds. In accordance with the redemption provisions of the ordinances authorizing the issuance of the Outstanding Bonds, the Village does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Outstanding Bonds for redemption and payment prior to maturity on their first possible date of redemption, all as further provided by the terms of the Agreement.

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### SECTION 4

Form and Authorization of Agreement. The Agreement and all the terms thereof, in the form provided hereby, are hereby approved, and the President are hereby authorized and directed to execute the Agreement in the name of the Village. The Agreement shall be in substantially the following form:

### ESCROW AGREEMENT

This Escrow Agreement, dated as of June 1, 2009, but actually executed on the date witnessed hereinbelow, by and between The Village of Orland Park, Counties of Cook and Will, Illinois (the “Village”), and Cole Taylor Bank of Chicago, Illinois, a banking association organized and operating under the laws of the United States of America, located in Chicago, Illinois (the “Escrow Agent”), in consideration of the mutual promises and agreements herein set forth:

### W I T N E S S E T H:

### ARTICLE 1

### DEFINITIONS

The following words and terms used in this Agreement shall have the following meanings unless the context or use clearly indicated another or different meaning:

Section 1.01 “Agreement” means this Agreement between the Village and the Escrow Agent.

Section 1.02 “Board” means the President and the Board of Trustees of the Village.

Section 1.03 “Bonds” means the General Obligation Refunding Bonds, Series 2009 of the Village, authorized to be issued by the Bond Ordinance.

Section 1.04 “Bond Ordinance” means Ordinance No. 4483, adopted by the Board on the 4th day of May, 2009, authorizing the issuance of the Bonds.

Section 1.05 “Code” means Section 148 of the Internal Revenue Code of 1986, and all lawful regulations promulgated thereunder.

Section 1.06 “Escrow Account” means the trust account established under this Agreement by the deposit of the Escrow Investments and the beginning cash.

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Section 1.07 “Escrow Agent” means Cole Taylor Bank of Chicago, Illinois, a banking association organized and operating under the laws of the United States of America, located in Chicago, Illinois, not individually but in the capacity for the uses and purposes hereinunder mentioned, or any successor thereto.

Section 1.08 “Escrow Investments” means the obligations purchased with Bond proceeds and general funds of the Village and deposited hereunder, as more particularly described in Exhibit A to this Agreement.

Section 1.09 “Government Securities” means the Escrow Investments and any securities acquired with the principal proceeds of or the interest earnings on the Escrow Investments as permitted or required by the terms of this Agreement.

Section 1.10 “Outstanding Bonds” means the Village’s General Obligation Bonds, Series 2001 (the “Prior Bonds”), in the original principal amount of \$10,000,000, of which \$8,130,000 aggregate principal amount of the Prior Bonds are presently outstanding and unpaid.

Section 1.11 “Paying Agent” means Cole Taylor Bank of Chicago, Illinois, as bond registrar and payment agent for the Outstanding Bonds.

Section 1.12 “Refunded Bonds” means those portions of the Outstanding Bonds due on December 1st of the years and in the amounts and bearing interest at the rates per annum as follows:

### GENERAL OBLIGATION BONDS, SERIES 2001

YEARS OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
2010	500,000	4.20%
2011	520,000	4.30%
2012	540,000	4.40%
2013	565,000	4.50%
2014	585,000	4.60%
2015	615,000	4.70%
2016	640,000	4.75%
2017	670,000	4.75%
2018	705,000	4.75%
2019	735,000	4.75%
2020	770,000	4.80%
2021	805,000	4.80%

Section 1.13 “Village” means the Village of Orland Park, Counties of Cook and Will, Illinois.

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### **ARTICLE II**

#### **CREATION OF ESCROW**

Section 2.01 The Village by the Bond Ordinance has authorized the issue and delivery of the Bonds, proceeds of which, together with certain funds of the Village on hand and legally available for such purpose, are to be used to refund the Refunded Bonds by the deposit on demand and to purchase on behalf of the Village the Escrow Investments. Such deposit and securities will provide all moneys necessary to pay all interest on the Refunded Bonds when due and to pay at maturity or on the first possible date of redemption all principal of and applicable premium on the Refunded Bonds.

Section 2.02 The Village shall deposit \$7,815,928.36 from the proceeds of the Bonds and \$0.00 from funds on hand and legally available for the purchase of the Escrow Investments and the funding a beginning cash escrow deposit on demand in the amount of \$0.36. The beginning deposit and the Escrow Investments are held in an irrevocable trust fund account for the Village to the benefit of the holders of the Refunded Bonds to pay the principal of, premium, if any, and interest on the Refunded Bonds as the same come due on each principal maturity or redemption date and on each interest payment date.

Section 2.03 The Escrow Agent and the Village have each received the report of Grant Thornton, LLP, Minneapolis, Minnesota, attached hereto as Exhibit B, that the principal of and income and profit to be received from the Government Securities, when paid at maturity, and the cash held in accordance with Section 2.02 hereof, will be sufficient, at all times pending the final payment of the Refunded Bonds, to pay all interest when due and to pay at maturity or upon redemption all principal of and premium, if any, on the Refunded Bonds as evidenced by said report.

### **ARTICLE III**

#### **COVENANTS OF ESCROW AGENT**

The Escrow Agent covenants and agrees with the Village as follows:

Section 3.01 The Escrow Agent will hold the Government Securities and all interest income or profit derived therefrom and all uninvested cash in an irrevocable segregated and separate trust fund account for the sole and exclusive benefit of the holders of the Refunded Bonds until final payment thereof.

Section 3.02 The Escrow Agent will reinvest all available uninvested balances (rounded to an even \$100) in the Escrow Account on deposit from time to time, whenever said balances exceed \$1,000 but only in zero-yield obligations issued directly by the Bureau of Public Debt of the United States Treasury

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(currently designated “U. S. Treasury Securities - State and Local Government Series Certificates of Indebtedness, notes or Bonds”). Investments so made shall be scheduled to mature on the next succeeding interest payment date on the Refunded Bonds on which such proceeds will be needed to pay the principal of, premium, if any, or interest on the Refunded Bonds. Such investments shall be made only to the extent permitted by, and shall be made in accordance with, the applicable statutes, rules and regulations governing such investments issued by the Bureau of Public Debt. The Escrow Agent shall hold balances not so invested in the Escrow Account on demand and in trust for the purposes hereof and shall secure same in accordance with applicable Illinois law for the securing of public funds.

Section 3.03 The Escrow Agent will take no action in the investment or securing of the proceeds of the Government Securities which would cause the Bonds to be classified as “arbitrage bonds” under the Code, provided, it shall be under no duty to affirmatively inquire whether the Government Securities as deposited are properly invested under said section; and provided, further, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

Section 3.04 The Escrow Agent will promptly collect the principal, interest or profit from the Government Securities and promptly apply the same as necessary to the payment of principal, premium, if any and interest on the Refunded Bonds as the same come due as herein provided.

Section 3.05 The Escrow Agent will remit to the Paying Agent, in good funds before each principal maturity or redemption date and before each interest payment date on the Refunded Bonds, moneys sufficient to pay such principal, premium, if any, and interest as will meet the requirements for the retirement of the Refunded Bonds, and such remittances shall fully release and discharge the Escrow Agent from any further duty or obligations thereto under this Agreement.

Section 3.06 The Escrow Agent will make no payment of fees, due or to become due, of the Paying Agent or the bond registrar and payment agent on the Bonds, and the Village covenants to pay the same as they become due.

Section 3.07 The acceptance fee of the Escrow Agent in the amount of \$\_\_\_\_\_ has been paid in advance, and the balance of the charges, fees and expenses of the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement shall be paid by the Village not less than ten (10) days after receipt of a statement from the Escrow Agent.

Section 3.08 The Village has called the Outstanding Bonds due December 1, 2010 and thereafter, for redemption and payment prior to maturity on December 1, 2009. The Escrow Agent will provide for and give a timely notice of the call of such bonds. The form and time of the giving of such notice shall be as specified in the ordinance providing for the issue of the Prior Bonds. The Village shall reimburse the Escrow Agent for its actual out of pocket expenses incurred in the giving of such notice, but the failure

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of the Village to make such payment shall not in any respect whatsoever relieve the Escrow Agent from carrying out any of the duties, terms or provisions of this Agreement.

Section 3.09 The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Village to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

Section 3.10 The Escrow Agent may in good faith buy, sell or hold and deal in any of the Bonds or the Outstanding Bonds.

Section 3.11 The Escrow Agent will submit to the Board a statement within ten (10) days after December 1, 2009, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement, and also listing the Government Securities on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the collection of the Government Securities.

Section 3.12 If at any time it shall appear to the Escrow Agent that the available proceeds of the Government Securities and deposits on demand in the Escrow Account will not be sufficient to make any payment due to the holders of any of the Refunded Bonds, the Escrow Agent shall notify the Village Clerk and the Board, not less than five (5) days prior to such date, and the Village agrees that it will from any funds legally available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

## ARTICLE IV

### COVENANTS OF DISTRICT

The Village covenants and agrees with the Escrow Agent as follows:

Section 4.01 The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals of the Village herein, (b) the performance of or compliance with any covenant, condition, term or



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provision of the Bond Ordinance, and (c) any undertaking or statement of the Village hereunder or under the Bond Ordinance.

Section 4.02 All payments to be made by, and all acts and duties required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the Village.

Section 4.03 The Village will take no action regarding the proceeds of the Bonds which would cause the Bonds to be classified as “arbitrage bonds” under the Code, and the Village will take any and all further action necessary to ensure that adequate provision is made for the payment of the Refunded Bonds and that neither the Refunded Bonds nor the Bonds are classified as “arbitrage bonds” under the Code.

## ARTICLE V

### AMENDMENTS, REINVESTMENT OF

### FUNDS, IRREVOCABILITY OF AGREEMENT

Section 5.01 This Agreement may be amended or supplemented, and the Government Securities or any portion thereof may be sold, redeemed, invested or reinvested, in any manner provided (any such amendment, supplement, or direction to sell, redeem, invest or reinvest to be referred to as a “Subsequent Action”), upon submission to the Escrow Agent of each of the following:

- (1) Certified copy of proceedings of the Board authorizing the Subsequent Action and copy of the document effecting the Subsequent Action signed by duly designated officers of the Village.
- (2) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds that the Subsequent Action will not adversely affect the tax-exempt status of the interest on the Bonds or the Refunded Bonds nor violate the covenants of the Village not to cause the Bonds or the Refunded Bonds to become “arbitrage bonds” under the Code, and that the Subsequent Action does not materially adversely affect the legal rights of the holders of the Bonds and the Refunded Bonds.
- (3) An opinion of a firm of nationally recognized independent certified public accountants that the amounts (which will consist of cash or deposits on demand held in trust or receipts from direct full faith and credit obligations of the United States of America, all of which shall be held hereunder) available or to be available or to be available for payment of the Refunded Bonds will remain sufficient to pay when due all principal and interest on the Refunded Bonds after the taking of the Subsequent Action.

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Section 5.02 Except as provided in Section 5.01 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 5.03 Except as provided in Section 5.01 hereof, all of the rights, powers, duties and obligations of the Village hereunder shall be irrevocable and shall not be subject to amendment by the Village and shall be binding on any successor to the officials now comprising the Board during the term of this Agreement.

### **ARTICLE VI**

#### **NOTICES TO THE DISTRICT,**

#### **THE TREASURER AND THE ESCROW AGENT**

Section 6.01 All notices and communications to the Village and the Board shall be addressed in writing to: Village of Orland Park, Counties of Cook and Will, Illinois, Orland Park Village Hall, 14700 S. Ravinia Avenue, Orland Park, Illinois 60462, Attention: Finance Director.

Section 6.02 All notices and communications to the Escrow Agent shall be addressed in writing to: Cole Taylor Bank of Chicago, Illinois, 60601, Attention: \_\_\_\_\_.

### **ARTICLE VII**

#### **TERMINATION OF AGREEMENT**

Section 7.01 That upon final disbursement of funds sufficient to pay the principal and interest of the Refunded Bonds as hereinabove provided for, the Escrow Agent will transfer any balance remaining in the Escrow Account to the Village with due notice thereof mailed to the Board, and thereupon this Agreement shall terminate.

IN WITNESS WHEREOF, the Village of Orland Park, Counties of Cook and Will, Illinois, has caused this Agreement to be signed in its name by its President and Cole Taylor Bank of Chicago, Illinois, not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers and attested by one of its officers under its corporate seal hereunto affixed, all as of the 5th day of May, 2009.

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VILLAGE OF ORLAND PARK

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

Attest:

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

COLE TAYLOR BANK  
Chicago, Illinois

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

Attest:

\_\_\_\_\_  
Its \_\_\_\_\_

[BANK SEAL]

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**EXHIBIT A**

## **ESCROW INVESTMENTS**

Dated June 1, 2009

DESCRIPTION	AMOUNT	RATE (%)	MATURITY DATE	FIRST INTEREST PAYMENT DATE
SLGS	\$7,815,928.00	0.290%	12/01/09	N/A

Beginning Cash Escrow Deposit = \$0.36

Section 6. Purchase of the Government Securities. The Escrow Agent, or K&L Gates LLP be and the same are hereby authorized to act as agent for the Village in the purchase of the Government Securities described and set forth in the Agreement.

Section 7. Severability. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

Section 8. Repeater. All ordinances or orders or parts thereof in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed.

Section 9. Effective Date. This ordinance shall be in effect immediately upon its passage by the Board.

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PASSED this 4th day of May, 2009

/s/ David P. Maher

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**David P. Maher, Village Clerk**

**Aye:**                    7     Trustee Murphy, Trustee Fenton, Trustee O'Halloran, Trustee Dodge, Trustee Schussler,  
Trustee Gira, and Village President McLaughlin

**Nay:**                    0

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DEPOSITED in my office this 4th day of May, 2009

/s/ David P. Maher

**David P. Maher, Village Clerk**

APPROVED this 4th day of May, 2009

/s/ Daniel J. McLaughlin

**Daniel J. McLaughlin, Village President**

PUBLISHED this 5th day of May, 2009

/s/ David P. Maher

**David P. Maher, Village Clerk**