

PRELIMINARY TERM SHEET DATED SEPTEMBER 21, 2021

**Waukegan Park District, Lake County, Illinois
\$1,912,450* General Obligation Limited Tax Park Bonds, Series 2021**

Issuer: Waukegan Park District, Lake County, Illinois (the "District").

Issue: \$1,912,450* General Obligation Limited Tax Park Bonds, Series 2021 (the "Bonds").

Bid(s) Due: October 7, 2021 by 10:15 A.M. C.D.T.

Award Date: October 12, 2021.

Dated/Delivery Date: October 26, 2021.

Method of Sale: Competitive.

Purchaser: _____ (the "Purchaser").

Interest Payment Date: Interest is due on November 1, 2022. Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months.

Principal Due: November 1, 2022.

**Maturity, Amount
Interest Rate and Yield:**

Maturity	Principal	Interest	Yield
<u>November 1</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>
2022	\$1,912,450	_____%	_____%

Purchase Price: No less than par.

Good Faith Deposit: A good faith deposit will **NOT** be required.

Bank Qualification: The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Original Issue Discount: The Bonds do not pay interest until a date that is more than one year after the date of issue. The interest payment on the Bonds is not "qualified" stated interest for federal income tax purposes and will accordingly be included in the computation of original issue discount. Regardless of whether the issue price of the Bonds is below the par amount thereof, the difference between the issue price of the Bonds and the interest payment thereon plus the amount payable at maturity is original issue discount. Because interest is not payable at an interval of one year or less, all of the Bonds are original issue discount bonds.

Legal Opinion/Tax Exemption: Chapman & Cutler, LLP, Chicago, Illinois, Bond Counsel ("Bond Counsel"), will provide an opinion as to the validity of, and federal tax exemption of the interest on, the Bonds. Interest on the Bonds is **not** exempt from present State of Illinois income taxes.

Registrar/Paying Agent: The Purchaser will act as bond registrar and paying agent on the Bonds, unless an agent is appointed by the Purchaser. However, if no agent is appointed by the purchaser, appointment will be made at the expense of the Purchaser. The Purchaser agrees to furnish an invoice to the issuer prior to the payment date.

Registered or Book-Entry: The Bonds will be registered in the name of the Purchaser unless otherwise requested by the Purchaser.

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Rule G-34, as Amended: Rule G-34, as amended, extends to non-dealer municipal advisors the requirement that a municipal advisor obtain a CUSIP number when advising on a competitive transaction in municipal securities.

Rule G-34, as amended, provides a principles-based exception for municipal advisors in competitive sales from the CUSIP number requirements when selling a new issue of municipal securities in certain circumstances where the municipal advisor reasonably believes (e.g., by obtaining a written representation) that the present intent of the purchasing entity is to hold the municipal securities to maturity or earlier redemption or mandatory tender. Specifically, Rule G-34(a)(i)(F) provides as follows:

“(F) [A] municipal advisor advising the issuer with respect to a competitive sale of a new issue, which is being purchased directly by a bank, any entity directly or indirectly controlled by the bank or under common control with the bank, other than a broker, dealer or municipal securities dealer ... may elect not to apply for assignment of a CUSIP number or numbers if the ... municipal advisor reasonably believes (e.g., by obtaining a written representation) that the present intent of the purchasing entity or entities is to hold the municipal securities to maturity”

Should your bid be the best bid and should this not be relevant in your situation please advise Speer Financial, Inc. immediately.

Authorization: The Bonds are being issued pursuant to the Park District Code of the State of Illinois and the Local Government Debt Reform Act of the State of Illinois, each as supplemented and amended, and an ordinance to be adopted by the Board of Park Commissioners of the District on the Award Date.

Purpose: Proceeds of the Bonds will be used to (i) provide the revenue source for outstanding obligations of the District, as listed below, (ii) to fund various capital projects and (iii) to pay the costs of issuance of the Bonds.

<u>Issue</u>	<u>Payment Date</u>	<u>Debt Service</u>
General Obligation Park Bonds (Alternate Revenue Source), Series 2017A	12/15/2021	\$ 1,015,000.00
General Obligation Park Bonds (Alternate Revenue Source), Series 2015A	12/15/2021	<u>271,568.75</u>
Total		\$ 1,286,568.75

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Security:

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Tax Extension Limitation Law").

The Debt Reform Act provides that the Bonds are payable from the debt service extension base of the District (the "Base"), which is an amount equal to that portion of the extension for the District for the 2009 levy year constituting an extension for payment of principal and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum, increased each year, commencing with the 2009 levy year, by the lesser of 5% or the percentage increase in the Consumer Price Index (as defined in the Tax Extension Limitation Law) during the 12-month calendar year preceding the levy year. The amount of the Base for the 2021 levy year is \$1,937,659.61. The Tax Extension Limitation Law further provides that the annual amount of taxes to be extended to pay the Bonds and all other limited bonds hereafter issued by the District shall not exceed the Base.

The Bonds will be the only series of limited bonds of the District which are payable from the Base for the 2021 levy year. The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

**Illinois Property Tax
Extension Limitation Law:**

The District, as a non-home rule unit of local government located in Lake County, Illinois, became subject to the Tax Extension Limitation Law in 1991 pursuant to a legislative action by the General Assembly. The effect of the Tax Extension Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless the obligations first are approved at a direct referendum, are alternate bonds or are for certain refunding purposes.

Public Act 89-385, effective August 18, 1995, permits local governments, including the District, to issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

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Denomination:	\$100,000 or integral multiples of \$5 in excess thereof.
Municipal Advisor:	Speer Financial, Inc., Chicago, Illinois (“Speer” or “we” or “us”).
Expenses:	The District will pay for the legal opinion and municipal advisor’s fee. At closing, the District will deliver one typed bond.
Optional Redemption:	The Bonds are not subject to redemption prior to maturity.
Credit Rating:	A credit rating will not be requested for the Bonds.
Secondary Market Disclosure:	This Bond issue is not subject to the continuing disclosure provisions of Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.
Investor Letter:	The purchaser will be required to execute an investor letter, in the form attached as Appendix B, wherein the purchaser will certify to the District and Bond Counsel that it (i) is acquiring the Bonds for its own account and solely for investment purposes and not with a view to any distribution of any Bond or any interest therein or a portion thereof or with any present intention of distributing or selling any Bond or any interest therein or portion thereof and (ii) has knowledge and experience in financial and business matters, including the acquisition and holding of tax-exempt obligations, that it is capable of evaluating the merits and risks of purchasing the Bonds and is able to bear such risks.

President, Board of Park Commissioners

Comprehensive Annual Financial Report for the Fiscal Year Ended April 30, 2020

The financial report of the District contained in this **APPENDIX A** (the “2020 Audit”) was approved by formal action of the Board of Park Commissioners of the District. The District has not requested that its auditor update information contained in the 2020 Audit; nor has the District requested that its auditor consent to the use of the 2020 Audit in this Term Sheet. The financial information contained in the 2020 Audit has not been updated since the date of the 2020 Audit. The inclusion of the 2020 Audit in this Term Sheet in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the 2020 Audit. Questions or inquiries relating to financial information of the District since the date of the 2020 Audit should be directed to Jon Beckman, Superintendent of Finance at Waukegan Park District.

Form of Investor Letter

October 26, 2021

Waukegan Park District
Lake County, Illinois

Chapman and Cutler LLP
Chicago, Illinois

Re: Waukegan Park District
Lake County, Illinois
\$ _____ General Obligation Limited Tax Park Bonds, Series 2021

Ladies and Gentlemen:

The undersigned and the Waukegan Park District, Lake County, Illinois (the "*District*"), have entered into a contract (the "*Contract*"), dated October 12, 2021 (the "*Sale Date*"), concerning the purchase by the undersigned from the District of \$ _____ General Obligation Limited Tax Park Bonds, Series 2021, dated October 26, 2021, of the District (the "*Bonds*").

In connection with the sale and delivery of the Bonds, the undersigned represents as follows:

1. The Contract is in full force and effect and has not been modified, repealed, rescinded or amended.
2. The undersigned is purchasing the Bonds at a price of \$ _____ (the "*Purchase Price*").
3. On the Sale Date based on the undersigned's assessment of then prevailing market conditions, the Purchase Price of each of the Bonds is not less than the fair market value of the Bond as of the Sale Date.
4. The undersigned as an investor has such knowledge and experience in financial and business matters, including the acquisition and holding of tax-exempt obligations, that it is capable of evaluating the merits and risks of purchasing the Bonds and is able to bear such risks.
5. Prior to the sale and delivery of the Bonds, the undersigned (i) received and reviewed copies in final form of the Contract and the ordinance adopted by the Board of Park Commissioners of the District authorizing the issuance of the Bonds (the "*Bond Ordinance*"), (ii) was afforded the opportunity to ask questions concerning the terms and conditions of the Contract, the Bond Ordinance and the Bonds, and (iii) was afforded the opportunity to examine all information and documents relating to, and to ask all questions concerning, the operations, financial condition and future prospects of the District which it regards as necessary to evaluate the merits and risks of its investment.

6. The purchase of the Bonds by the undersigned is being made in reliance upon the completeness and accuracy of the Bond Ordinance and the information, certificates, opinions, statements and reports supplied by the District at the request of the undersigned.

7. The undersigned hereby represents and warrants that (a) the undersigned is the first buyer of the Bonds and (b) the Bonds being acquired by it are being acquired for its own account solely for investment purposes and not with a view to any distribution of any Bond or any interest therein or portion thereof or with any present intention of distributing or selling any Bond or any interest therein or portion thereof.

8. In the event that the undersigned disposes of the Bonds or any part thereof in the future, it understands that it has the responsibility for complying with all applicable federal and state securities laws and all rules and regulations promulgated pursuant thereto.

9. The undersigned is making these representations and warranties with the intent that they may be relied upon in determining the qualification and suitability of the undersigned to purchase the Bonds, and the undersigned agrees that these representations and warranties shall survive its purchase of the Bonds.

10. No person holding any office of the District, either by election or appointment, is interested in the undersigned as an officer or employee or as a holder of any ownership interest in the undersigned.

11. The undersigned understands that (i) Chapman and Cutler LLP ("*Chapman*") has been engaged by the District to act as Bond Counsel for the Bonds, (ii) Chapman's engagement as Bond Counsel by the District is limited in scope and Chapman has an attorney-client relationship with the District and not with the undersigned, (iii) the undersigned will refer to its own general or special counsel as necessary, (iv) at this time Chapman may be representing the undersigned in unrelated matters and the consent of the undersigned to Chapman's representation of the District is required, (v) the undersigned's consent extends only to the representation of the District as Bond Counsel in connection with the Bonds and does not extend to any actual or potential litigation, arbitration or other adversary proceeding or claim against the undersigned or any of its subsidiaries in connection with the representation, (vi) in the event of any such claim or proceeding, Chapman would be disqualified from representing the District with respect to such claim or proceeding unless the undersigned or an appropriate subsidiary were to give a new consent at that time, which consent would be wholly discretionary, and (vii) evidence of the undersigned's consent is given by executing this investment letter.

Very truly yours,

_____,
_____, _____

By _____
Its _____

Waukegan Park District
 1324 Golf Road
 Waukegan, Illinois, 60087

October 7, 2021

Board of Park Commissioners:

For the \$1,912,450* General Obligation Limited Tax Park Bonds, Series 2021 (the "Bonds"), of the Waukegan Park District, Lake County, Illinois (the "District"), as described in the annexed Preliminary Term Sheet, we will pay \$_____ (no less than par) plus any accrued interest from the dated date of the Bonds to the date of delivery for the Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%).

MATURITY* – NOVEMBER 1, 2022

\$1,912,450 2022 ____%

By submitting a bid, any bidder makes the representation that it understands Chapman and Cutler, LLP, Chicago, Illinois ("Bond Counsel") represents the District in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the District in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Bond Counsel. The purchaser, should it so choose, agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

ACCOUNT MANAGER INFORMATION

Firm Name:			
Name/Title of Firm Representative:		Direct Phone:	
Signature:		FAX #:	
Street Address:		State:	
City:		Zip Code:	
Email:			

The foregoing bid was accepted and the Bonds sold by ordinance of the Board of Park Commissioners of the District on October 12, 2021.

WAUKEGAN PARK DISTRICT, LAKE COUNTY, ILLINOIS

President, Board of Park Commissioners

----- **NOT PART OF THE BID** -----
 (Calculation of net interest cost)

	Bid	Post Sale Revision
Gross Interest	\$	
Less Premium/Plus Discount	\$	
Net Interest Cost	\$	
Net Interest Rate	%	%
TOTAL BOND YEARS	1,939.01 Years	Years
AVERAGE LIFE	1.014 Years	Years

*Subject to change.