

**ORDINANCE NO. 08-5**

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING PARK BONDS, SERIES 2008, OF THE COLLINSVILLE AREA RECREATION DISTRICT, IN MADISON AND ST. CLAIR COUNTIES, ILLINOIS, PROVIDING THE TERMS OF SUCH BONDS AND FOR A LEVY OF DIRECT ANNUAL TAXES TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS**

**WHEREAS**, the Collinsville Area Recreation District, in Madison and St. Clair Counties, Illinois (the "**Park District**"), owns and operates its park and recreational facilities pursuant to and in accordance with the Park District Code (Section 1205/1-1 *et seq.* of Chapter 70 of the Illinois Compiled Statutes), as supplemented and amended (the "**Park Code**"); and

**WHEREAS**, the Board of Park Commissioners of the Park District (the "**Board**") previously determined that it is advisable, necessary and in the best interests of the Park District to undertake the acquisition, construction and installation of land for parks and equipping, expanding, improvement and protecting of park facilities, together with related structures, equipment, appurtenances, fixtures and costs, all electrical, mechanical or other work and the acquisition of land or rights in land necessary, useful or advisable in connection therewith (the "**Project**"), and it is desirable and necessary to provide for refunding and for the payment of certain current debt service on certain of outstanding general obligation alternate bonds and debt certificates (collectively, the "**Prior Obligations**") of the Park District issued to finance Park District facilities and improvements (the "**Prior Project**"); and

**WHEREAS**, the estimated cost in connection with the Project and refunding the Prior Obligations, and related costs, is anticipated to be not more than the sum of \$3,300,000, which is presently anticipated and planned to be paid from proceeds of the hereinafter described bonds; and

**WHEREAS**, the Park District has insufficient funds for the Project and refunding Prior Obligations and, therefore, must borrow money and issue bonds under this ordinance in evidence thereof up to the aggregate principal amount of up to \$3,300,000 for such purpose; and

**WHEREAS**, within the limitations of the Park Code, the Park District is authorized to issue its general obligation park bonds up to the aggregate principal amount of up to \$3,300,000 for the purpose of providing funds to pay or reimburse the Park District for the foregoing costs; and

**WHEREAS**, the Park District has received an offer to purchase the bonds (which when accepted and executed by the Park District the accepted and fully executed offer shall constitute a “**Bond Purchase Agreement**”), and the Board hereby authorizes the Park District through a Bond Order to accept the offer so submitted by the purchaser or purchasers (as applicable, the “**Underwriter**,” Mesirow Financial, Inc., Chicago, Illinois, or otherwise as identified in a Bond Order under Section 2); and

**WHEREAS**, for convenience of reference only this ordinance is divided into numbered sections with headings, which shall not define or limit the provisions hereof, as follows:

	<u>Page</u>
Preambles .....	1
Section 1. Authority and Purpose .....	2
Section 2. Authorization and Terms of Bonds .....	2
Section 3. Bond Sale.....	5
Section 4. Execution and Authentication .....	5
Section 5. Transfer, Registration and Book Entry.....	5
Section 6. Registrar and Paying Agent.....	8
Section 7. General Obligations.....	9
Section 8. Form of Bonds.....	9
Section 9. Levy and Extension of Taxes .....	14
Section 10. Debt Service Fund .....	14
Section 11. Bond Proceeds Fund.....	14
Section 12. Exception from Arbitrage Rebate.....	15
Section 13. Investment Regulations .....	15
Section 14. Tax Covenants .....	15
Section 15. Bank Qualified Bonds .....	16
Section 16. Ordinance to Constitute a Contract .....	16
Section 17. Effective Date .....	16

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF PARK COMMISSIONERS OF THE COLLINSVILLE AREA RECREATION DISTRICT, IN MADISON AND ST. CLAIR COUNTIES, ILLINOIS**, as follows:

**Section 1. Authority and Purpose.** This ordinance is adopted pursuant to the Constitution and laws of the State of Illinois, including the Park District Code (Section 1205/1-1 *et seq.* of Chapter 70 of the Illinois Compiled Statutes), and particularly Section 6-4 thereof, as supplemented and amended, including by the Registered Bond Act, the Illinois Bond Replacement Act, the Bond Authorization Act and the Local Government Debt Reform Act, for the purpose of financing the Project and refunding certain of the Prior Obligations.

**Section 2. Authorization and Terms of Bonds.** To finance the Project and to refund certain of the Park District’s Prior Obligations: (A) General Obligation Bonds (Alternate Revenue Source), Series 2004 (the “**2004 Obligations**”) and (B) General Obligation (Limited

Tax) Debt Certificates, Series 2002 (the “**2002 Obligations**”), there is hereby appropriated the sum of up to \$3,300,000, to be derived from the proceeds of the issue of bonds authorized by this ordinance.

**(a) General.** For the purpose of financing such appropriation, general obligation park bonds of the Park District shall be issued and sold in an aggregate principal amount of not to exceed \$3,300,000, shall each be designated “**General Obligation Refunding Park Bond, Series 2008**” (which series designation in a Bond Order may be changed to “Series 2009”), and shall be issuable in the denominations of \$5,000 each or any authorized integral multiple thereof. The bonds shall be numbered consecutively from 1 upwards in order of their issuance and may bear such identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of the bonds. As shall be specified in an order to authenticate the bonds, each bond shall be dated November 15, 2008, or thereafter and as of or before the date of the issuance thereof as the purchaser or purchasers of such bonds agrees or accepts, but if interest due on any bond shall not have been paid in full, then notwithstanding any of the foregoing provisions, such bond shall be dated as of the last date to which interest has been paid in full on such bond. The bonds shall bear interest at not to exceed the rate percent per annum of 5.50%, and shall mature in the principal amount on December 1 of each of the years commencing not before 2008 and ending not after 2013, all as shall be specified in a Bond Order.

Each bond shall bear interest from its date, or from the most recent interest payment date to which interest has been paid, computed on the basis of a 360-day year consisting of twelve 30-day months, and payable in lawful money of the United States of America on each June 1 and December 1, commencing December 1, 2009 at the rate percent per annum herein provided for. The principal of and premium, if any, on the bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal office of the designated Paying Agent for the bonds (including its successors, the “**Paying Agent**”). Interest on the bonds shall be payable on each interest payment date to the registered owners of record appearing on the registration books maintained by the designated Registrar on behalf of the Park District for such purpose (including its successors, the “**Registrar**”), at the principal office of the Registrar as of the close of business on the fifteenth (15<sup>th</sup>) day (whether or not a business day) of the calendar month next preceding the applicable interest payment date. Interest on the bonds shall be paid by check or draft of the Paying Agent mailed to such registered owners at their addresses appearing on the registration books.

The Registrar shall not be required to transfer or exchange any bond during the period from the last day of the calendar month next preceding each interest payment and ending on such interest date.

**(b) Redemption.**

(i) The bonds shall not be subject to call for optional redemption prior to maturity, unless otherwise specified in a Bond Order.

(ii) Bonds maturing as specified in a Bond Order are Term Bonds (the “**Term Bonds**”), which are subject to mandatory sinking fund redemption in the

principal amount on December 1 of each of the years provided in a Bond Order, and not otherwise.

(iii) Except as otherwise provided in a Bond Order, the bonds shall not be subject to optional redemption prior to maturity.

(iv) The Registrar shall give the notices in connection with the redemption of the Bonds.

(c) **Bond Order.** Although the bonds are authorized to mature or come due in the principal amount in each year, to bear interest at the rate or rates percent per annum, and to have such other terms and provisions as authorized or provided for in this ordinance, including as to optional and/or mandatory redemption, the bonds are nevertheless hereby authorized to mature or come due in the principal amount in each year, to bear interest at such lawfully authorized lower rate or rates and to have such other terms and provisions, including as to final principal amount, denomination, the final maturity or maturities and interest rates, series designation, reoffering premium, original issue discount (“**OID**”), optional and/or mandatory redemption, credit facility, payment dates, Levied Taxes, an offering document, maturities of the Prior Obligations to be refunded or otherwise paid and provision for a related escrow or depository agreement, designation of the Underwriter and the Registrar and Paying Agent or other fiscal agents, all as the President or Treasurer or Executive Director shall certify in the order to the Registrar to authenticate and deliver the bonds (such order to constitute a “**Bond Order**”). For purposes of the foregoing and otherwise in this ordinance, the term “**Bond Order**” shall mean a certificate signed by the President or Treasurer or Executive Director, and attested by the Secretary and under the seal of the Park District, setting forth and specifying details of and incidental to the Bonds. Such maturities, lower rate or rates and other terms and provisions as may be so certified in the Bond Order are hereby specifically authorized and approved without any further action or approval by the Board other than as set forth in this ordinance. The form for the bonds shall be conformed to any Bond Order.

(d) **Insurer’s Policy.** The designation in a Bond Order of a bond insurance policy or other credit facility (the “**Policy**”) and the issuer of a Policy (the “**Insurer**”) if any, is hereby authorized and approved. The commitment and other provisions of and related to a Policy, if any, are incorporated into this ordinance by reference, including without limitation that any investment restrictions and limitations in the commitment and related to the Policy shall be deemed to be applicable restrictions and limitations on authorized investments and the investments authorized by this ordinance, and shall be appended to this ordinance (provided that any failure to so append will not abrogate, diminish or impair the effect thereof). In the event there is no Policy or Insurer specified, reference to the Insurer and Policy in this ordinance shall be given no effect.

(e) **Further Actions.** The Board hereby authorize the officials of the Park District responsible for issuing the bonds, the same being the President, Secretary, Treasurer, Executive Director and Attorney, to take all such actions and to make such further filings, covenants, certifications and supplemental agreements as may be desirable or necessary (i) to assure that the use of the Prior Project, the Project and the bonds and related proceeds will not

cause the bonds or the Prior Obligations to be private activity bonds, arbitrage bonds or hedge bonds and to assure that the interest on the bonds and the Prior Obligations will be excluded from gross income for federal income tax purposes and (ii) to give full effect to this ordinance.

**Section 3. Bond Sale.** The sale of the bonds to the Underwriter, at the price, plus accrued interest, if any, as set forth in the Bond Purchase Agreement (not less than 98.0% of par, plus accrued interest) is hereby approved. The President, Secretary, Executive Director and other officials of the Park District are hereby authorized and directed to do and perform, or cause to be done or performed for or on behalf of the Park District, each and every thing necessary for the issuance and sale of the bonds, including the execution, delivery and performance of the Bond Purchase Agreement. An offering document related to the bonds is hereby authorized as specified in a Bond Order.

The bonds are an issue over \$1,000,000 in principal amount and are subject to continuing disclosure under Rule 15c2-12 of the Securities and Exchange Commission. Therefore, the Issuer will enter into an “**undertaking**” under such Rule 15c2-12 to provide certain ongoing financial operating and other information as required by such Rule 15c2-12. A continuing disclosure certificate and agreement (as applicable, the “**Disclosure Agreement**”) for such purpose is authorized, as the case may be.

**Section 4. Execution and Authentication.** Each bond shall be executed in the name of the Park District by the manual or authorized facsimile signature of its President and Secretary and the corporate seal of the Park District, if any, or a facsimile thereof, shall be thereunto affixed or otherwise reproduced thereon and attested and countersigned by the manual or authorized facsimile signatures of its Secretary and countersigned by its Treasurer.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any bond shall cease to hold such office before the issuance of such bond, such bond shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature, or a facsimile thereof, appears on such bond had not ceased to hold such office. Any bond may be signed, sealed or attested on behalf of the Park District by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such bond such person may not hold such office. No recourse shall be had for the payment of any bonds against the President, Secretary, Treasurer or any member of the Board of Park Commissioners or any officer or employee of the Park District (past, present or future) who executes the bonds, or on any other basis.

Each bond shall bear thereon a certificate of authentication executed manually by the Registrar. No bond shall be entitled to any right or benefit under this ordinance or shall be valid or obligatory of any purpose until such certificate of authentication shall have been duly executed by the Registrar.

**Section 5. Transfer, Registration and Book Entry.** The bonds shall be negotiable, subject to the provisions for registration of transfer contained herein and related to book-entry-only registration.

(a) **General** This subsection (a) is subject to the provisions of subsection (b) concerning book-entry only provisions. The Park District shall cause books (the “**Bond Register**”) for the registration and for the transfer of the bonds as provided in this resolution to be kept at the principal office of the Registrar, which is hereby constituted and appointed the Registrar for the Park District. The Park District is authorized to prepare, and the Registrar shall keep custody of, multiple bond blanks executed by the Park District for use in the issuance from time to time of the bonds and in the transfer and exchange of bonds.

Upon surrender for transfer of any bond at the designated principal office of the Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by the registered owner or such owner’s attorney duly authorized in writing, the Park District shall execute and the Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered bond or bonds of the same series and maturity of authorized denominations, for a like aggregate principal amount. Any fully registered bond or bonds may be exchanged at the principal corporate trust office of the Registrar for a like aggregate principal amount of bond or bonds of the same series and maturity of other authorized denominations. The execution by the Park District of any fully registered bond shall constitute full and due authorization of such bond, and the Registrar shall thereby be authorized to authenticate, date and deliver such bond.

The Registrar shall not be required to transfer or exchange any bond during the period from the fifteenth (15<sup>th</sup>) day of the calendar month next preceding any interest payment date on such bond and ending on such interest payment date.

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, premium (if any) or interest on any bond shall be made only to or upon the order of the registered owner thereof or such registered owner’s 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 for any transfer or exchange of bonds, but the Park District or the 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 exchanged in the case of the issuance of a bond or bonds for the outstanding portion of a bond surrendered for redemption.

(b) **Book-Entry-Only Provisions.** Unless otherwise specified in a Bond Order, the bonds shall be issued in the form of a separate single fully registered bond for each of the maturities of the bonds. Upon initial issuance, the ownership of each such bond shall be registered in the Register therefor in a street name (presently expected to be “**Cede & Co.**” for DTC) of The Depository Trust Company (“**DTC**”), New York, New York (including any successor securities depository, the “**Depository**”), or any authorized successor thereto, as nominee of the Depository. The outstanding bonds from time to time may be registered in the Register in a street name, as nominee of the Depository. If not already effected, the President or Secretary is each authorized to execute and deliver on behalf of the Park District such letters to

or agreements with the Depository as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the “**Representation Letter**”). Without limiting the generality of the authority given to the President or Secretary with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the bonds or of beneficial interest 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 Register in the name of a nominee of the Depository, the Park District and the Registrar shall have no 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 (an “**Indirect Participant**” or “**Beneficial Owner**”, as the case may be). Without limiting the meaning of the foregoing, the Park District and the Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the nominee, or any Depository Participant, Indirect Participant or Beneficial Owner 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 Register, of any notice with respect to the bonds, including any notice of redemption, or (c) the payment to any Depository Participant, Indirect Participant, Beneficial Owner or any other person, other than a registered owner of a bond as shown in the Register, of any amount with respect to principal of or interest on the Bonds.

As long as the bonds are held in a book-entry-only system, no person other than the nominee of the Depository, or any authorized successor thereto, as nominee for the Depository, shall receive a bond certificate with respect to any bonds. Upon delivery by the Depository to the Registrar of written notice to the effect that the Depository has determined to substitute a new nominee in place of the prior nominee, and subject to the provisions hereof with respect to the payment of interest to the registered owners of bonds at the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the applicable interest payment date, the reference herein to nominee in this resolution shall refer to such new nominee of the Depository.

In the event that (a) the Park District determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement between the Park District and the Depository evidenced by the Representation Letter shall be terminated for any reason or (c) the Park District determines that it is in the best interests of the beneficial owners of the bonds that they be able to obtain certificated bonds, the Park District shall notify the Depository (and, to the extent known by the Park District, the Depository Participants) of the availability of bond certificates, and the bonds shall no longer be restricted to being registered in the Register in the name of a nominee of the Depository. At that time, the Park District may determine that the bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, as may be acceptable to the Park District, or such depository’s agent or designee, and if the Park District does not select such alternate

book-entry system, then the bonds may be registered in whatever name or names registered owners of bonds transferring or exchanging bonds shall designate, in accordance with the provisions hereof. Notwithstanding any other provision of this ordinance to the contrary, so long as any bond is registered in the name of a nominee of the Depository, all payments with respect to principal of and interest on such bond and all notices with respect to such bond shall be made and given, respectively, in the manner provided in the Representation Letter.

**Section 6. Registrar and Paying Agent.** The Park District covenants that it shall at all times retain a Registrar and Paying Agent with respect to the bonds and shall cause to be maintained at the office of such Registrar a place where bonds may be presented for registration of transfer or exchange, that it will maintain at the designated office of the Paying Agent a place where bonds may be presented for payment, that it shall require that the Registrar maintain proper registration books and that it shall require the Registrar and Paying Agent to perform the other duties and obligations imposed upon them by this ordinance in a manner consistent with the standards, customs and practices of the municipal securities business. The Park District may enter into appropriate agreements with the Registrar and Paying Agent in connection with the foregoing.

Unless otherwise specified in a Bond Order, The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, shall act as Registrar and Paying Agent.

(a) The Registrar and Paying Agent shall signify their acceptances of the duties and obligations imposed upon them by this ordinance. The Registrar by executing the certificate of authentication on any bond shall be deemed to have certified to the Park District that it has all requisite power to accept, and has accepted, such duties and obligations not only with respect to the bond so authenticated but with respect to all the bonds, including with respect to acting as Paying Agent, and the payment function in subsection (c) below. The Registrar and Paying Agent are the agents of the Park District for such purposes and shall not be liable in connection with the performance of their respective duties except for their own negligence or default. The Registrar shall, however, be responsible for any representation in its certificate of authentication on the bonds.

(b) The Park District may remove the Registrar or Paying Agent at any time. In case at any time the Registrar or Paying Agent shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar, or of its property, shall be appointed, or if any public officer shall take charge or control of the Registrar or Paying Agent or of their respective properties or affairs, the Park District covenants and agrees that it will thereupon appoint a successor Registrar or Paying Agent, as the case may be. The Park District shall mail or cause to be mailed notice of any such appointment made by it to each registered owner of bonds within twenty (20) days after such appointment. Other than the Park District's Treasurer, any Registrar or Paying Agent appointed under the provisions of this Section shall be a bank, trust company, national banking association or other qualified professional with respect to such matters, maintaining its principal office in the State of Illinois.



(c) The Park District's Treasurer or other designated agent shall hold the cash or investments for the current debt service payments on the Prior Obligations as herein provided and shall transfer such cash or investments or receipts from such investments to the paying agent or agents for the Prior Obligations to timely pay such debt service. Such Treasurer or other agent shall withdraw and apply such funds or investments to such debt service without any further authority than this ordinance. The Park District is authorized to enter into an escrow agreement or a deposit agreement in this connection.

**Section 7. General Obligations.** The full faith and credit of the Park District are hereby irrevocably pledged to the punctual payment of the principal of and interest on the bonds. The bonds shall be direct and general obligations of the Park District, and the Park District shall be obligated to levy ad valorem taxes upon all the taxable property in the Park District for the payment of the bonds and the interest thereon, without limitation as to rate or amount.

**Section 8. Form of Bonds.** The bonds shall be issued as fully registered bonds conforming to the industry customs and practices of printing (unless the Purchaser accepts typewritten bonds), the blanks [CUSIPs optional] to be appropriately completed when the bonds are printed, and with appropriate insertions and deletions shall be in substantially the form as follows:

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
THE COUNTIES OF MADISON AND ST. CLAIR  
COLLINSVILLE AREA RECREATION DISTRICT  
GENERAL OBLIGATION REFUNDING PARK BOND  
SERIES 200\_\_**

**REGISTERED NO.** \_\_\_\_\_

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

**INTEREST RATE:**

**MATURITY DATE:**

**DATED DATE:**

**CUSIP:**

**Registered Owner:**

**Principal Amount:**

The Collinsville Area Recreation District (the “**Park District**”), a general park district, situated in The Counties of Madison and St. Clair, in the State of Illinois, acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, and to pay interest on such Principal Amount from the later of the Dated Date hereof or the most recent interest payment date to which interest has been paid, at the Interest Rate per annum set forth above, computed on the basis of a 360-day year consisting of twelve 30-day months and payable in lawful money of the United States of America semiannually on each June 1 and December 1, commencing December 1, 2009, until the Principal Amount shall have been paid, by check or draft mailed to the Registered Owner of record hereof as of the close of business on the fifteenth (15<sup>th</sup>) day (whether or not a business day) of the calendar month next preceding such interest payment date, at the address of such Registered Owner appearing on the registration books maintained for such purpose at the designated principal office of The Bank of New York Mellon Trust Company, N.A., in St. Louis, Missouri, as Registrar, or its successors (the “**Registrar**”). This bond, as to principal and premium, if any, when due, will be payable in lawful money of the United States of America upon presentation and surrender of this bond at the designated principal office of The Bank of New York Mellon Trust Company, N.A., in St. Louis, Missouri, as Paying Agent, or its successors (the “**Paying Agent**”). The full faith and credit of the Park District, including the power to levy taxes without limit as to rate or amount, are irrevocably pledged for the punctual payment of the principal of and interest on this bond according to its terms.

This bond is one of a series of bonds issued in the aggregate principal amount of up to \$ \_\_\_\_\_, which are all of like tenor except as to interest rate and maturity and which are authorized and issued under and pursuant to the Constitution and laws of the State of Illinois, including the Park District Code (Section 1205/1-1 *et seq.* of Chapter 70 of the Illinois Compiled Statutes), as supplemented and amended, and pursuant to and in accordance with an authorizing ordinance adopted by the Board of Park Commissioners of the Park District on \_\_\_\_\_, 2008, and entitled, “An Ordinance Authorizing the Issuance of General Obligation Refunding Park Bonds, Series 2008, of the Collinsville Area Recreation District, in Madison and St. Clair Counties, Illinois, Providing the Terms of Such Bonds and for a Levy of Direct Annual Taxes to

Pay the Principal of and Interest on Such Bonds, and Related Matters.” The bonds are being issued to provide funds to the Park District for the acquisition, construction and installation of certain park facilities and improvements and extensions, and related facilities, improvements and costs, to refund certain of the Park District’s prior obligations, and to pay costs of issuance of the bonds.

[Bonds maturing on December 1, 20\_\_ are subject to mandatory sinking fund redemption in the principal amount on December 1 of each year, as follows:

<u>Year</u>	<u>Principal Amount(\$)</u>
200_	
<u>200_</u>	
	*To be paid at maturity unless previously retired.]

[Bonds maturing on and after December 1, 20\_\_ shall be subject to redemption prior to maturity on and after December 1, 20\_\_, in whole or in part on any date, in such order of maturity as specified by the Park District (but in inverse order if there is no specification) at the redemption price equal to the principal amount to be so redeemed, plus accrued interest to the date fixed for redemption.

Notice of the redemption of bonds is to be mailed not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for such redemption to the registered owners of bonds to be redeemed at their last addresses appearing on the registration books therefore. The Registered Owner of this bond may waive such notice, presentment for payment being conclusive of such a waiver. The bonds or portions thereof specified in such notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on such redemption date, and if notice of redemption shall have been mailed as herein set forth (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner), then from and after the redemption date interest on such bonds or portions thereof shall cease to accrue and become payable. All notices of redemption shall state the redemption date, the redemption price, that on the redemption date the redemption price will become due and payable upon each such bond called for redemption and, upon the deposit of funds therefore with the Paying Agent, that interest thereon shall cease to accrue from and after such redemption date, and the place where such bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent.

This bond is transferable only upon such registration books by the Registered Owner hereof in person, or by such Registered Owner’s attorney duly authorized in writing, upon surrender hereof at the principal office of the Registrar in St. Louis, Missouri, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or by such Registered Owner’s duly authorized attorney, and thereupon a new registered

bond or bonds, in the authorized denomination of \$5,000 each or any authorized integral multiple thereof and of the same aggregate principal amount, maturity and interest rate as this bond shall be issued to the transferee in exchange therefor. In like manner, this bond may be exchanged for an equal aggregate principal amount of bonds of the same maturity and interest rate and of any of such authorized denominations.

The Registrar shall not be required to exchange or transfer any bond during the period from the last day of the calendar month preceding any interest payment date to such interest payment date. The Park District or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this bond. No other charge shall be made for the privilege of making such transfer or exchange. The Park District and the Registrar may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, premium, if any, and interest due hereon and for all other purposes whatsoever and all such payments so made to such registered owner or upon such Registered Owner's order shall be valid and effectual to satisfy and discharge the liability upon this bond to the extent of the sum or sums so paid, and neither the Park District nor the Registrar, or the Paying Agent shall be affected by any notice to the contrary.

No recourse shall be had for the payment of any bonds against the President, Secretary, Treasurer, any member of the Board of Park Commissioners or any other officer or employee of the Park District (past, present or future) who executes any bonds, or on any other basis. The Park District may remove the Registrar or Paying Agent at any time and for any reason and appoint a successor.

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

The Park District has designated the bonds as "**qualified tax-exempt obligations**" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this bond in order to make it a legal, valid and binding obligation of the Park District have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of bonds of which this bond is one, together with all other indebtedness of the Park District is within every debt or other limit prescribed by law.

**IN WITNESS WHEREOF**, the Collinsville Area Recreation District, in Madison and St. Clair Counties, Illinois, has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its President, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested and countersigned by the manual or facsimile signatures of its Secretary and Treasurer, all as of the Dated Date set forth above.

**COLLINSVILLE AREA RECREATION  
DISTRICT, IN MADISON AND ST.  
CLAIR COUNTIES, ILLINOIS**

**Attest:**

(SEAL)

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President

COUNTERSIGNED:

\_\_\_\_\_  
Treasurer

**CERTIFICATE OF AUTHENTICATION**

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

This is one of the General Obligation Refunding Park Bonds, Series 2008, described in the within mentioned ordinance.

**THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A.,  
St. Louis, Missouri, as Registrar**

By \_\_\_\_\_  
Authorized Signer

**Bond Registrar  
and Paying Agent:**

The Bank of New York Mellon Trust Company, N.A.,  
St. Louis, Missouri

**ASSIGNMENT**

For value received the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
[Name, Address and Tax Identification Number of Assignee]  
the within bond and hereby irrevocably constitutes and appoints \_\_\_\_\_  
attorney to transfer the within bond on the  
books kept for registration thereof, with full power of substitution in the premises.

Dated \_\_\_\_\_

\_\_\_\_\_  
Signature

Signature Guarantee:  
\_\_\_\_\_  
\_\_\_\_\_

**Notice:** The signature of this assignment 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 9. Levy and Extension of Taxes.** For the purpose of providing the money required to pay the interest on the bonds when and as the same falls due and to pay and discharge the principal thereof as the same shall mature, there shall be levied upon all the taxable property in the Park District, in each year while any of the bonds shall be outstanding, a direct annual tax in the years specified in a Bond Order, sufficient for that purpose, in addition to all other taxes, and in the amounts for each year, commencing not before 2008 and ending not later than 2012, as shall be specified in a Bond Order (the "**Levied Taxes**").

Interest or principal coming due at any time when there shall be insufficient funds on hand to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the taxes herein levied; and when such taxes shall have been collected, reimbursement shall be made to such fund or funds from which such advance was made in the amounts thus advanced.

After this ordinance becomes effective and before any bonds are issued, a copy hereof certified by the Secretary, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerks of Madison and St. Clair Counties, Illinois, who are hereby directed to ascertain the rate per cent required to produce the aggregate tax hereinabove provided to be levied in the years herein provided for, and to extend the same for collection on the tax books in connection with other taxes levied in each of such years, in and by the Park District for general corporate purposes of the Park District, and in each of such years such annual tax shall be levied and collected in like manner as taxes for general corporate purposes for each of such years are levied and collected and, when collected, such taxes shall be used solely for the purpose of paying the principal of and interest on the bonds herein authorized as the same become due and payable.

**Section 10. Debt Service Fund.** Moneys derived from taxes herein levied are appropriated and set aside for the sole purpose of paying principal of and interest on the bonds when and as the same come due. All of such moneys, and all other moneys to be used for the payment of the principal of and interest on the bonds, shall be deposited in the "**Debt Service Fund of 2008**" (the "**Debt Service Fund**") which is hereby established as a special fund of the Park District and shall be administered as a bona fide debt service fund under the Internal Revenue Code of 1986, as amended. All accrued interest, if any, received upon the issuance of the bonds shall be deposited in the Debt Service Fund and applied to pay interest on the bonds through such date.

**Section 11. Bond Proceeds Fund.** All of the proceeds of sale of the bonds, exclusive of accrued interest and exclusive of amounts and investments deposited with and held by the Park District's Treasurer or other agent to pay certain debt service on the Prior Obligations as herein provided shall be deposited in the "**Bond Proceeds Fund of 2008**" (the "**Bond Proceeds Fund**"), which is hereby established as a special fund of the Park District, within which there shall be a "**Project Account**" for Bond proceeds to pay issuance costs and a "**Refunding Account**" for bond proceeds to pay for refunding the Prior Obligations. Moneys in the Bond Proceeds Fund shall be used for, and are hereby appropriated for, the purposes

specified in Section 1 of this ordinance and for the payment of Refunding and Project costs and costs of issuance of the bonds, but may hereafter be reappropriated and used for other lawful purposes. Before any such reappropriation shall be made, there shall be filed with the Secretary an opinion of Evans, Froehlich, Beth & Chamley, Champaign, Illinois, or other nationally recognized bond counsel (collectively, "**Bond Counsel**"), to the effect that such reappropriation is authorized and will not adversely affect the tax-exempt status of the bonds under Section 103 of the Internal Revenue Code of 1986, as amended.

**Section 12. Exception From Arbitrage Rebate.** The Park District does not now reasonably expect to issue more than \$5,000,000 of tax-exempt obligations in the year of the issuance of the bonds within the meaning of the small issuer exception under Section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended. However, as Bond Counsel may advise as necessary to preserve the tax-exempt status of the bonds, the Park District hereby covenants and agrees to comply with the rebate requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended, and to execute an applicable arbitrage regulation agreement, covering, among other things, arbitrage rebate under such Section 148(f).

**Section 13. Investment Regulations.** No investment shall be made of any moneys in the Debt Service Fund or the Bond Proceeds Fund except in accordance with the tax covenants set forth in Section 14 of this ordinance. All income derived from such investments in respect of moneys or securities in any Fund shall be credited in each case to the Fund in which such moneys or securities are held.

Any moneys in any Fund that are subject to investment yield restrictions may be invested in United States Treasury Securities, State and Local Government Series, pursuant to the regulations of the United States Treasury Department, Bureau of Public Debt. The Park District's Treasurer and agents designated by such officer are hereby authorized to submit, on behalf of the Park District, subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

**Section 14. Tax Covenants.** The Park District shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any bond to become subject to federal income taxes in addition to federal income taxes to which interest on such bond is subject on the date of original issuance thereof.

The Park District shall not permit any of the proceeds of the bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any bond to constitute a "**private activity bond**", "**arbitrage bond**" or "**hedge bond**" within the meaning of Sections 141, 148 or 149(g) of the Internal Revenue Code of 1986, as amended.

The Park District shall comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986 relating to yield reduction payments and/or the rebate of certain investment earnings at periodic intervals to the United States of America to the extent that such compliance is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the bonds under Section 103 of the Internal Revenue Code of 1986, as amended.

**Section 15. Bank Qualified Bonds.** Pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Park District hereby designates the bonds as “**qualified tax-exempt obligations**” as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Park District represents that the reasonably anticipated amount of tax-exempt obligations that will be issued by the Park District and all subordinate entities of the Park District during the calendar year in which the bonds are issued will not exceed \$10,000,000 within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Park District covenants that in any event it will not so designate and issue more than \$10,000,000 aggregate principal amount of tax-exempt obligations in such calendar year. For purposes of this **Section 15**, the term “**tax-exempt obligations**” includes “**qualified 501(c)(3) bonds**” (as defined in the Section 145 of the Internal Revenue Code of 1986, as amended) but does not include other “**private activity bonds**” (as defined in Section 141 of the Internal Revenue Code of 1986, as amended).

**Section 16. Ordinance to Constitute a Contract.** The provisions of this ordinance shall constitute a contract between the Park District 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 Park District shall be for the equal benefit, protection and security of the registered owners of any and all of the bonds. All 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, and to the extent that the provisions of this ordinance conflict with the provisions of any other ordinance or resolution of the Park District, the provisions of this ordinance shall control. After their issuance the bonds shall be incontestable by the Park District. 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 17. Effective Date.** This ordinance shall become effective at the times and in the manner provided by law and upon its becoming effective and prior to or concurrently with the issuance of the bonds herein provided for shall be filed with the County Clerks of Madison and St. Clair Counties, Illinois.



Upon Motion by Commissioner BRYANT, seconded by  
Commissioner PICKERING, adopted this 18th day of November, 2008, by roll  
call vote as follows:

Ayes: SPIKE BRYANT, KATHY PICKERING, MARY ANN  
BITZER

Nays: NONE

Absent: JOAN BURKE, JOE LEGENDRE

Approved: November 18, 2008

Mary Ann Bitzer  
President



Mark J. Borsari  
Secretary