

ORDINANCE NO. 13-3

AN ORDINANCE providing for (a) the issue of not to exceed \$3,075,000 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2013, of the Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois, for the purpose of refunding certain of the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2004 (the "*Series 2004 Bonds*"), and the levy of a direct annual tax sufficient to pay the principal and interest thereon, and (b) the payment of certain of the Series 2004 Bonds in advance of their maturity.

* * *

WHEREAS, the Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois (the "*District*"), is a duly organized and existing park district created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Park District Code of the State of Illinois, and all laws amendatory thereof and supplementary thereto (the "*Park Code*"); and

WHEREAS, the District has outstanding its General Obligation Bonds (Alternate Revenue Source), Series 2004, dated November 30, 2004 (the "*Prior Bonds*"); and

WHEREAS, the Board of Park Commissioners of the District (the "*Board*") has determined that it is advisable, necessary and in the best interests of the District to refund a portion of the Prior Bonds to be described in the hereinafter defined Bond Notification (said portion of the Prior Bonds to be refunded being referred to herein as the "*Refunded Bonds*") in order to achieve certain debt service savings for the District; and

WHEREAS, the estimated cost of the refunding of the Refunded Bonds (the "*Refunding*"), including legal, financial, printing and publication costs and other expenses, is not less than \$3,075,000, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, in accordance with the provisions of the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"), "alternate bonds," as defined in the Debt Reform Act, may be issued for the purpose of refunding the Refunded Bonds; and

WHEREAS, the Board has determined that it is advisable, necessary and in the best interests of the District to issue alternate bonds to refund the Refunded Bonds; and

WHEREAS, the term of such alternate bonds will not be longer than the term of the Refunded Bonds and the debt service payable in any year on such alternate bonds will not exceed the debt service payable in such year on the Refunded Bonds; and

WHEREAS, the Refunding constitutes a lawful corporate purpose within the meaning of the Debt Reform Act; and

WHEREAS, the Board is now authorized to issue alternate bonds to the amount of \$3,075,000 in accordance with the provisions of the Debt Reform Act to refund the Refunded Bonds; and

WHEREAS, the alternate bonds to be issued will be payable (a) together with the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2007, dated March 15, 2007 (the "*2007 Bonds*"), and General Obligation Refunding Bonds (Alternate Revenue Source), Series 2010A (the "*2010A Bonds*"), and the Prior Bonds not being refunded as herein described (the "*2004 Bonds*" and collectively with the 2007 Bonds and the 2010A Bonds, the "*Outstanding Alternate Bonds*"), from proceeds received by the District (the "*Non-Referendum Bond Proceeds*") from the issuance of its general obligation bonds or notes and/or limited bonds or notes to the fullest extent permitted by law, including Section 15.01 of the Debt Reform Act and Section 6-4 of the Park Code (the "*Non-Referendum Bonds*"), (b) together with the 2004 Bonds and the 2010A Bonds, from revenues from District operations (the "*Revenue Receipts*"), (c) together with the Outstanding Alternate Bonds, from general tax

receipts of the District (the "*General Tax Receipts*," and collectively with the Non-Referendum Bond Proceeds and the Revenue Receipts, the "*Pledged Revenues*"), and (d) from the Pledged Taxes, as hereinafter defined; and

WHEREAS, the Board hereby determines that the Pledged Revenues will provide in each year an amount not less than 1.25 times the debt service due on the Outstanding Alternate Bonds and the alternate bonds proposed to be issued; and

WHEREAS, it is necessary and in the best interests of the District that the Refunded Bonds be called for redemption in advance of their maturity, and it is necessary and desirable to make such call for the redemption of the Refunded Bonds on the earliest possible and practicable redemption date as set forth in the Bond Notification, and provide for the giving of proper notice to the registered owners of the Refunded Bonds; and

WHEREAS, the Board has determined that the District has funds on hand and lawfully available ("*Available Funds*") sufficient to provide for the payment of a portion of the Prior Bonds prior to maturity; and

WHEREAS, the Board hereby finds that it is in the best interests of the District to apply the Available Funds to the payment of a portion of the outstanding Prior Bonds to be described in the hereinafter defined Bond Notification (said portion of the Prior Bonds to be paid being referred to herein as the "*Defeased Bonds*"); and

WHEREAS, in accordance with their terms, the Defeased Bonds may be called for redemption in advance of maturity, and it is necessary and desirable to make such call for the redemption of the Defeased Bonds on their earliest possible call date, and provide for the giving of proper notice to the registered owners of the Defeased Bonds; and

WHEREAS, in order to properly provide for the payment of the Defeased Bonds, it will be necessary to irrevocably deposit the Available Funds with the paying agent for the Bonds,

namely, The Bank of New York Mellon Trust Company, National Association, St. Louis, Missouri (the "*Paying Agent*"), which funds will be used to pay the Defeased Bonds on their redemption date:

NOW, THEREFORE, Be It Ordained by the Board of Park Commissioners of the Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois, as follows:

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

Section 2. Authorization. It is hereby found and determined that the Board has been authorized by law to borrow the sum of not to exceed \$3,075,000 upon the credit of the District and as evidence of such indebtedness to issue bonds of the District to said amount, the proceeds of said bonds to be used for the Refunding, and it is necessary and for the best interests of the District that there be issued an amount not to exceed \$3,075,000 of the bonds so authorized for refunding the Refunded Bonds.

Section 3. Bond Details. There be borrowed on the credit of and for and on behalf of the District an amount not to exceed \$3,075,000 for the purpose aforesaid; and that alternate bonds of the District (the "*Bonds*") shall be issued to said amount and shall be designated "[Taxable] General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2013," with such further series designation as may be appropriate. The Bonds may be issued in one or more series, and may be issued on a tax-exempt basis (the "*Tax-Exempt Bonds*"), whereby the status of interest paid and received thereon is excludable from the gross income of the owners thereof under the Internal Revenue Code of 1986, as amended (the "*Code*"), or may be issued on a taxable basis (the "*Taxable Bonds*"), whereby the status of interest paid and received thereon is includible in gross income of the owners thereof under the Code, or some combination thereof.

The Bonds, if issued, shall be dated such date (not prior to October 15, 2013, and not later than December 30, 2013) as set forth in the Bond Notification, and shall also bear the date of authentication, shall be in fully registered form, shall be in minimum denominations of \$100,000 each and in integral multiples of \$1,000 in excess thereof (but no single Bond of a series shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds shall become due and payable serially or be subject to mandatory redemption (without option of prior redemption) on December 1 of each of the years (not later than 2021), in the amounts (not exceeding \$600,000 per year) and bearing interest at the rates per annum (not exceeding 3.30% per annum) as set forth in the Bond Notification. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semi-annually commencing with the first interest payment date as set forth in the Bond Notification, and on June 1 and December 1 of each year thereafter to maturity.

Interest on each Bond shall be paid by check or draft of The Bank of New York Mellon Trust Company, National Association, St. Louis, Missouri (the "*Bond Registrar*"), payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

The Bonds shall be signed by the President and Secretary of the Board, and shall be countersigned by the Treasurer of the Board, and the seal of the District shall be affixed thereto or printed thereon, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid

and sufficient for all purposes, the same as if such officer had remained in office until delivery. If the Secretary or the Treasurer of the Board is unable to perform the duties of his or her respective office, then their duties under this Ordinance shall be performed by the Assistant Secretary or the Assistant Treasurer of the Board, respectively.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the District for the Bonds and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 4. Registration of Bonds; Persons Treated as Owners. The District shall cause books (the "*Bond Register*") for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the District. The District is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the District for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the District shall execute and the Bond 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 said office of the Bond 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 District of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however*, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such series and maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the District or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds,

(c) *General.* The Bonds shall be redeemed only in the principal amount of \$1,000 and integral multiples thereof. The District shall, at least forty-five (45) days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and series and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such series and maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$1,000 Bond or \$1,000 portion of a Bond shall be as likely to be called for redemption as any other such \$1,000 Bond or \$1,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the District in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 6. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the District by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and
- (6) such other information then required by custom, practice or industry standard.

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

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified,

and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same series and maturity in the amount of the unpaid principal.

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

Section 7. Form of Bond. The Bonds shall be in substantially the following form; *provided, however*, that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraph [6] and the paragraphs thereafter as may be appropriate shall be inserted immediately after paragraph [1]:

[Form of Bond - Front Side]

REGISTERED
No. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTIES OF MADISON AND ST. CLAIR

COLLINSVILLE AREA RECREATION DISTRICT

[TAXABLE] GENERAL OBLIGATION REFUNDING PARK BOND
(ALTERNATE REVENUE SOURCE), SERIES 2013[___]

See Reverse Side for
Additional Provisions

Interest
Rate: _____%

Maturity
Date: December 1, 20__

Dated
Date: _____, 2013

Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois (the "*District*"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on June 1 and December 1 of each year, commencing _____ 1, 20__, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal corporate trust office of The Bank of New York Mellon Trust Company, National Association, St. Louis, Missouri, as bond registrar and paying agent (the "*Bond Registrar*"). Payment of the installments of interest shall

be made to the Registered Owner hereof as shown on the registration books of the District maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

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

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

[5] IN WITNESS WHEREOF, said Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois, by its Board of Park Commissioners, has caused this Bond to be signed by the President and Secretary of said Board of Park Commissioners, and to be countersigned by the Treasurer thereof, and has caused the seal of the District to be affixed hereto or printed hereon, all as of the Dated Date identified above.

(SEAL)

Countersigned:

SPECIMEN
Treasurer, Board of Park Commissioners

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the [Taxable] General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2013[___], of the Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, NATIONAL ASSOCIATION,
as Bond Registrar

By SPECIMEN
Authorized Officer

SPECIMEN
President, Board of Park Commissioners

SPECIMEN
Secretary, Board of Park Commissioners

Bond Registrar and Paying Agent:
The Bank of New York Mellon Trust
Company, National Association,
St. Louis, Missouri

[Form of Bond - Reverse Side]

COLLINSVILLE AREA RECREATION DISTRICT

MADISON AND ST. CLAIR COUNTIES, ILLINOIS

**[TAXABLE] GENERAL OBLIGATION REFUNDING PARK BOND
(ALTERNATE REVENUE SOURCE), SERIES 2013[___]**

[6] This Bond is one of a series of Bonds issued by the District pursuant to the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Act*"), and the Park District Code of the State of Illinois, as amended (the "*Code*"), for the purpose of refunding certain outstanding bonds of the District, and is authorized by an ordinance adopted by the Board of Park Commissioners of the District on the 15th day of October, 2013 (the "*Bond Ordinance*"), in all respects as provided by law.

[7] The Bonds are payable (a) together with the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2007, dated March 15, 2007 (the "*2007 Bonds*"), and General Obligation Refunding Bonds (Alternate Revenue Source), Series 2010A (the "*2010A Bonds*"), and the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2004, dated November 30, 2004, not being refunded by the Bonds or defeased in connection with the issuance of the Bonds (the "*2004 Bonds*" and collectively with the 2007 Bonds and the 2010A Bonds, the "*Outstanding Alternate Bonds*"), from proceeds received by the District (the "*Non-Referendum Bond Proceeds*") from the issuance of its general obligation bonds or notes and/or limited bonds or notes to the fullest extent permitted by law, including Section 15.01 of the Act and Section 6-4 of the Code, (b) together with the 2004 Bonds and the 2010A Bonds, from revenues from District operations (the "*Revenue Receipts*"), (c) together with the Outstanding Alternate Bonds, from general tax receipts of the District (the "*General Tax Receipts*," and collectively with the Non-Referendum Bond Proceeds and the Revenue Receipts, the "*Pledged Revenues*"), and (d) from ad valorem taxes levied upon all of

the taxable property in the District without limitation as to rate or amount (the "*Pledged Taxes*"), all in accordance with the provisions of the Act and the Code. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the District are hereby irrevocably pledged. The Bonds are being issued on a parity with (a) the Outstanding Alternate Bonds to the extent the Bonds and the Outstanding Alternate Bonds are payable from the Non-Referendum Bond Proceeds and the General Tax Receipts, and (b) the 2004 Bonds and the 2010A Bonds to the extent the Bonds, the 2004 Bonds and the 2010A Bonds are payable from the Revenue Receipts.

[8] [Optional and Mandatory Redemption provisions, as applicable, will be inserted here.]

[9] [Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the District maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.]

[10] This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in St. Louis, Missouri, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same series and maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[11] The Bonds are issued in fully registered form in minimum denominations of \$100,000 each and in integral multiples of \$1,000 in excess thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same series and maturity of other authorized denominations, upon the terms set forth in the Bond Ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date[, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds].

[12] The District and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to 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 8. Sale of Bonds. The President of the Board and the Executive Director of the District (the "*Designated Representatives*") are hereby authorized to proceed not later than the 30th day of December, 2013, without any further authorization or direction from the Board, to sell and deliver the Bonds in one or more series upon the terms as prescribed in this Ordinance. Each series of the Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of the Bond Notification as may be, and thereupon be deposited with the Treasurer of the Board, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to the Purchaser (as hereinafter defined), upon receipt of the purchase price therefor, the same being not less than par plus accrued interest, if any, to date of delivery. The Purchaser shall be one of (a) a bank or financial institution (i) authorized to do business in the State of Illinois or (ii) listed in the Dealers & Underwriters or Municipal Derivatives sections of the most recent edition of The Bond Buyer's Municipal Marketplace, (b) a governmental unit as

defined in the Debt Reform Act or (c) an “accredited investor” as defined in Rule 501 of Regulation D as promulgated under the Securities Act of 1933, as amended.

Upon the sale of the Bonds, the Designated Representatives shall prepare a Notification of Sale of the Bonds, which shall include the pertinent details of sale as provided herein (the “*Bond Notification*”). In the Bond Notification, the Designated Representatives shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by applicable law and that the net present value debt service savings to the District as a result of the issuance of the Bonds and the refunding of the Refunded Bonds is not less than 3.00% of the principal amount of the Refunded Bonds. The Bond Notification shall be entered into the records of the District and made available to the Board at the next regular meeting thereof; but such action shall be for information purposes only, and the Board shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Notification.

Upon the sale of the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Representatives, the President, Secretary and Treasurer of the Board and any other officers of the District, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the contract for the sale of the Bonds between the District and the Purchaser (the “*Purchase Contract*”). Prior to the execution and delivery of the Purchase Contract, the Designated Representatives shall find and determine that no person holding any office of the District, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The use by the Purchaser of any Preliminary Private Placement Memorandum and any final Private Placement Memorandum relating to the Bonds (the "*Placement Memorandum*") is hereby ratified, approved and authorized; the execution and delivery of the Placement Memorandum is hereby authorized; and the officers of the Board are hereby authorized to take any action as may be required on the part of the District to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Placement Memorandum, the Placement Memorandum and the Bonds.

Section 9. Alternate Revenue Source; Appropriation; Additional Obligations; Tax Levy. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, the District covenants and agrees with the purchasers and the owners of the Bonds that the District will appropriate annually sufficient General Tax Receipts and Revenue Receipts in such amounts and in a timely manner so as to provide, along with the Non-Referendum Bond Proceeds as shall be allocated thereto (as described in the following sentence), for the payment of the Bonds and not less than an additional .25 times debt service, and shall deposit such annually appropriated moneys into the Bond Fund, as hereinafter defined. For the purpose of providing funds required to pay the interest on the Outstanding Alternate Bonds and the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, the District covenants and agrees with the purchasers and the owners of the Outstanding Alternate Bonds and the Bonds that the District will issue its Non-Referendum Bonds, and shall deposit the Non-Referendum Bond Proceeds into the bond and interest fund established pursuant to the ordinances authorizing the issuance of the Outstanding Alternate Bonds (the "*Prior Bond Ordinances*") and into the Bond Fund. The Non-Referendum Bond Proceeds and the General Tax Receipts, along with the Revenue Receipts for the 2004 Bonds and the 2010A Bonds, have

been pledged to the payment of the Outstanding Alternate Bonds and the provision of not less than an additional .25 times debt service. The Pledged Revenues are hereby pledged to the payment of the Bonds and the Board covenants and agrees to provide for, appropriate, collect and apply the Pledged Revenues to the payment of the Bonds and the provision of not less than an additional .25 times debt service.

The Bonds are being issued on a parity with (a) the Outstanding Alternate Bonds to the extent the Bonds and the Outstanding Alternate Bonds are payable from the Non-Referendum Bond Proceeds and the General Tax Receipts, and (b) the 2004 Bonds and the 2010A Bonds to the extent the Bonds, the 2004 Bonds and the 2010A Bonds are payable from the Revenue Receipts. The District is authorized to issue from time to time additional obligations payable from the Pledged Revenues as permitted by law and to determine the lien priority of any such obligations.

For the purpose of providing additional funds to pay the principal of and interest on the Bonds, there is hereby levied upon all of the taxable property within the District, in the years for which any of the Bonds are outstanding, a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the District the following direct annual taxes (the "*Pledged Taxes*"):

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2014	\$625,000	for principal and interest up to and including December 1, 2015
2015	\$625,000	for principal and interest
2016	\$625,000	for principal and interest
2017	\$625,000	for principal and interest
2018	\$625,000	for principal and interest
2019	\$625,000	for principal and interest
2020	\$625,000	for principal and interest

Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes herein levied; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

The District covenants and agrees with the purchasers and the owners of the Bonds that so long as any of the Bonds remain outstanding, the District will take no action or fail to take any action which in any way would adversely affect the ability of the District to collect the Pledged Revenues or to levy and collect the Pledged Taxes. The District and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and that the Pledged Taxes will be levied, extended and collected as provided herein and deposited in the Bond Fund.

To the extent that the taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Notification, the President, Secretary and Treasurer of the Board are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in the following bond year. Proper notice of such abatement shall be filed with the County Clerks of The Counties of Madison and St. Clair, Illinois (the "*County Clerks*"), in a timely manner to effect such abatement.

Section 10. Filing of Ordinance. After this Ordinance becomes effective, a copy hereof, certified by the Secretary of the Board, shall be filed with the County Clerks; and the County Clerks shall in and for each of the years required, ascertain the rate percent required to produce the aggregate Pledged Taxes hereinbefore provided to be levied in each of said years; and the County Clerks shall extend the same for collection on the tax books in connection with

other taxes levied in said years in and by the District for general corporate purposes of the District; and in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the District in like manner as taxes for general park purposes of the District for said years are levied and collected, and in addition to and in excess of all other taxes.

Section 11. Abatement of Pledged Taxes. Whenever the Board determines that funds are or will be available to pay any principal of or interest on the Bonds when due, so as to enable the abatement of the Pledged Taxes levied for the same, the Board or the officers of the District acting with proper authority, shall direct the deposit of such funds into the Bond Fund or into a proper escrow account created solely for such purpose. The Board shall direct the abatement of the Pledged Taxes by such amount, and proper notification of such abatement shall be filed with the County Clerks in a timely manner to effect such abatement.

Section 12. Bond Fund; Certificate of Reduction of Taxes. There is hereby established a special fund of the District known as the "Alternate Bond and Interest Fund of 2013" (the "*Bond Fund*"). The Pledged Revenues and the Pledged Taxes shall be set aside as collected and be deposited into the Bond Fund, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the District by this Ordinance. The Bonds are secured by a pledge of all of the moneys on deposit in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the District are discharged under this Ordinance.

The President, Secretary and Treasurer of the Board be and the same are hereby directed to prepare and file with the County Clerks, a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Prior Bonds being refunded or defeased and directing the abatement of the taxes heretofore levied to pay the Refunded Bonds and the Defeased Bonds.

Section 13. Use of Bond Proceeds. Accrued interest received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. Simultaneously with the delivery of the Bonds, the principal proceeds of the Bonds, together with such additional amounts as may be necessary from the general funds of the District, are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of refunding the Refunded Bonds, and that portion thereof not needed to pay such costs is hereby ordered deposited (i) with the paying agent(s) for the Prior Bonds or (ii) in escrow pursuant to an Escrow Letter Agreement to be entered into between the District and The Bank of New York Mellon Trust Company, National Association, St. Louis, Missouri (the "*Escrow Agent*"), in substantially the form attached hereto as *Exhibit A* (the "*Escrow Agreement*"), for the purpose of paying the principal of and interest on the Refunded Bonds as such become due upon redemption on the date set forth in the Bond Notification. The Board approves the form, terms and provisions of the Escrow Agreement and directs the President and Secretary of the Board to attest, seal and deliver the Escrow Agreement in the name and on behalf of the District.

At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the District from the proceeds of the Bonds.

Section 14. Non-Arbitrage and Tax-Exemption - Tax-Exempt Bonds. This Section applies only to the Tax-Exempt Bonds and references in this Section to "Bonds" are deemed to be references to the Tax-Exempt Bonds only. One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Board and the District as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the District for the benefit of the owners from time to time of the Bonds. In addition to providing the

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

1.1. Definitions. In addition to such other words and terms used and defined in this Ordinance, the following words and terms used in this Section shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

“2013A Bonds” means the District’s General Obligation Park Bonds, Series 2013A, expected to be issued within calendar year 2013.

“*Affiliated Person*” means any Person that (a) at any time during the six months prior to the execution and delivery of the Bonds, (i) has more than five percent of the voting power of the governing body of the District in the aggregate vested in its directors, officers, owners, and employees or, (ii) has more than five percent of the voting power of its governing body in the aggregate vested in directors, officers, board members or employees of the District or (b) during the one-year period beginning six months prior to the execution and delivery of the Bonds, (i) the composition of the governing body of which is modified or established to reflect (directly or indirectly) representation of the interests of the District (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period) or (ii) the composition of the governing body of the District is modified or established to reflect (directly or indirectly) representation of the interests of such Person (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

“Bond Counsel” means Chapman and Cutler LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“Capital Expenditures” means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the District were treated as a corporation subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

“Closing” means the first date on which the District is receiving the purchase price for the Bonds.

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

“Commingled Fund” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

“Control” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

(a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or

(b) to require the use of funds or assets of a Controlled Entity for any purpose.

“Controlled Entity” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“Controlled Group” means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has Control of the other entities.

“Controlling Entity” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“Costs of Issuance” means the costs of issuing the Bonds, including underwriters’ discount and legal fees.

“De minimis Amount of Original Issue Discount or Premium” means with respect to an obligation (a) any original issue discount or premium that does not exceed two

percent of the stated redemption price at maturity of the Bonds plus (b) any original issue premium that is attributable exclusively to reasonable underwriter's compensation.

"Escrow Account" means the Prior Bond Fund or the account established pursuant to the Escrow Agreement.

"External Commingled Fund" means a Commingled Fund in which the District and all members of the same Controlled Group as the District own, in the aggregate, not more than ten percent of the beneficial interests.

"GIC" means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

"Government Securities" means the obligations held and to be held under the Escrow Agreement.

"Gross Proceeds" means amounts in the Bond Fund and the Escrow Account.

"Net Sale Proceeds" means amounts actually or constructively received from the sale of the Bonds reduced by any such amounts that are deposited in a reasonably required reserve or replacement fund for the Bonds.

"Person" means any entity with standing to be sued or to sue, including any natural person, corporation, body politic, governmental unit, agency, authority, partnership, trust, estate, association, company, or group of any of the above.

"Placed-in-Service" means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

"Prior Bond Fund" means the fund or funds established in connection with the issuance of the Prior Bonds to pay the debt service on the Prior Bonds.

"Prior Bond Proceeds" means amounts actually or constructively received from the sale of the Prior Bonds and all other amounts properly treated as gross proceeds of the Prior Bonds under the Regulations, including (a) amounts used to pay underwriters' discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before the Prior Bonds were issued but only if it is to be paid within one year after the Prior Bonds were issued and (b) amounts derived from the sale of any right that is part of the terms of a Prior Bond or is otherwise associated with a Prior Bond (*e.g.*, a redemption right).

"Prior Bonds" means the District's outstanding issues being refunded by the Bonds, as more particularly described in the preambles hereof.

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

"Private Business Use" means any use of the Prior Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Prior Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Prior Project that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Prior Project that is not available for use by the general public.

"Qualified Administrative Costs of Investments" means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

"Qualified Tax Exempt Obligations" means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344.

"Rebate Fund" means the fund, if any, identified and defined in paragraph 4.2 herein.

"Rebate Provisions" means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

"Refunded Bonds" means those certain Prior Bonds being refunded by the Bonds.

"Regulations" means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

"Reimbursed Expenditures" means expenditures of the District paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

"Reserve Portion of the Bond Fund" means the portion of the Bond Fund funded in excess of the amount of debt service payable each year.

"Sale Proceeds" means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriters' discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (e.g., a redemption right).

"Transferred Proceeds" means amounts actually or constructively received from the sale of the Prior Bonds, plus investment earnings thereon, which have not been spent prior to the date principal on the Refunded Bonds is discharged by the Bonds.

"Yield" means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation's purchase price (or in the case of the Bonds, the issue price as established in paragraph 5.1 hereof), including accrued interest.

"Yield Reduction Payment" means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the IRS may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

2.1. Purpose of the Bonds. The Bonds are being issued solely and exclusively to currently refund in advance of maturity the Refunded Bonds in a prudent manner consistent with the revenue needs of the District. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Ordinance. Except for any accrued interest on the Bonds used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 90 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the District or for the purpose of replacing any funds of the District used for such purpose.

2.2. Bond Fund Investment. The investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Bond Fund will be commingled with substantial revenues from the governmental operations of the District, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Bond Fund have not been earmarked or restricted by the Board for a designated purpose.

2.3. Reimbursement. None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

2.4. *Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to pay principal of, interest on and redemption premium (if any) on the Refunded Bonds, other than the following:

- (a) Costs of Issuance and Qualified Administrative Costs of Investments;
- (b) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;
- (c) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon; and
- (d) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months.

2.5. *Consequences of Contrary Expenditure.* The District acknowledges that if Sale Proceeds and investment earnings thereon are spent other than as permitted by paragraph 2.4 hereof, a like amount of then available funds of the District will be treated as unspent Sale Proceeds.

2.6. *Investment of Bond Proceeds.* No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

2.7. *No Grants.* None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

2.8. *Hedges.* Neither the District nor any member of the same Controlled Group as the District has entered into or expects to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds or the Prior Bonds. The District acknowledges that any such hedge could affect, among other things, the calculation of Bond Yield under the Regulations. The IRS could recalculate Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

The District also acknowledges that if it acquires a hedging contract with an investment element (including *e.g.*, an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Bonds, and be subject to the fair market purchase price rules, rebate and yield restriction. The District agrees not to use proceeds of the Bonds to pay for any such hedging contract in whole or in part. The District also agrees that it will not give any assurances to any Bondholder or any credit or liquidity enhancer with respect to the Bonds that any such hedging contract will be entered into or maintained. The District recognizes that if a portion of a hedging contract is determined to be an investment of

gross proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

2.9. IRS Audits. The District represents that the IRS has not contacted the District regarding the Prior Bonds or any other obligations issued by or on behalf of the District. To the best of the knowledge of the District, no such obligations of the District are currently under examination by the IRS.

3.1. Use of Proceeds. (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Ordinance at the time of Closing are described in the preceding Section of this Ordinance. No Sale Proceeds will be used to pre-pay for goods or services to be received over a period of years prior to the date such goods or services are to be received. No Sale Proceeds or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from the District, any member of the same Controlled Group as the District, or an Affiliated Person.

(b) Only the funds and accounts described in said Section will be funded at Closing. There are no other funds or accounts created under this Ordinance, other than the Rebate Fund if it is created as provided in paragraph 4.2 hereof.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) Any Costs of Issuance incurred in connection with the issuance of the Bonds to be paid by the District will be paid at the time of Closing.

3.2. Purpose of Bond Fund. The Bond Fund (other than the Reserve Portion of the Bond Fund) will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund (other than the Reserve Portion of the Bond Fund) will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Bond Fund (other than the Reserve Portion of the Bond Fund) for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

The District will levy taxes to produce an amount sufficient to pay all principal of and interest on the Bonds in each bond year. To minimize the likelihood of an insufficiency, the amount extended to pay the Bonds may in most years be in excess of the amount required to pay principal and interest within one year of collection. This over-collection (if any) may cause the Bond Fund as a whole to fail to function as a bona fide debt service fund. Nevertheless, except for the Reserve Portion of the Bond Fund, the Bond Fund will be depleted each year as described above. The Reserve Portion of the Bond Fund will constitute a separate account not treated as part of the bona fide debt service fund. The Reserve Portion of the Bond Fund is subject to yield restriction requirements except as it may otherwise be excepted as provided in 5.2 below. It is also subject to rebate requirements.

3.3. *The Prior Bonds.* (a) The Prior Bonds were issued for the purpose of advance refunding certain of the District's Installment Contract Certificates (Limited Tax), Series 1997 (the "1997 Obligations"), as well as for the financing of certain projects within the District. As of the earlier of the (i) date three years after the 1997 Obligations were issued or (ii) date three years after the Prior Bonds were issued, all sale proceeds of the 1997 Obligations and all Prior Bond Proceeds, including investment earnings thereon, were completely spent to pay the costs of Capital Expenditures.

(b) As of the date hereof, no Prior Bond Proceeds or money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Prior Bonds or any credit enhancement or liquidity device relating to the foregoing, or is otherwise restricted to pay the District's obligations other than amounts on deposit in the Escrow Account.

(c) The Prior Bond Fund was used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Prior Bonds in each bond year. The Prior Bond Fund was depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (i) the earnings on the investment of moneys in such account for the immediately preceding bond year or (ii) one-twelfth (1/12th) of the principal and interest payments on the Prior Bonds.

(d) At the time the 1997 Obligations were issued, the District reasonably expected to spend at least 85% of the proceeds (including investment earnings) of the 1997 Obligations to be used for non-refunding purposes for such purposes within three years of the date each of the Bonds and the 1997 Obligations were issued and such proceeds were so spent. At the time the Prior Bonds were issued, the District reasonably expected to spend at least 85% of the proceeds (including investment earnings) of the Prior Bonds to be used for non-refunding purposes for such purposes within three years of the date each of the Bonds and the Prior Bonds were issued and such proceeds were so spent. Not more than 50% of the proceeds of each of the Prior Bonds and the 1997 Obligations to be used for non-refunding purposes was invested in investments having a substantially guaranteed Yield for four years or more.

(e) The District has not been notified that the Prior Bonds are under examination by the IRS, and to the best of the District's knowledge the Prior Bonds are not under examination by the IRS.

(f) The District acknowledges that (i) the final rebate payment with respect to the Prior Bonds may be required to be made sooner than if the refunding had not occurred and (ii) the final rebate is due 60 days after the Prior Bonds are paid in full.

(g) The Refunded Bonds subject to redemption prior to maturity will be called within 90 days of the Closing.

3.4. *The Escrow Account.* (a) The Escrow Account will be funded at the Closing.

(b) The uninvested cash and any anticipated receipts from the Government Securities on deposit in the Escrow Account, without regard to any reinvestment thereof, will be sufficient to pay, when due, principal and interest on the Refunded Bonds as such become due and payable and to redeem the outstanding principal amount of the Refunded Bonds on the date called for their redemption, at the applicable redemption price thereof.

(c) Any moneys remaining on deposit in the Escrow Account upon the final disbursement of funds sufficient to pay principal and interest of the Refunded Bonds shall be transferred by the Escrow Agent to the Bond Fund to be used to pay interest on the Bonds.

3.5. No Other Gross Proceeds. (a) Except for the Bond Fund and except for investment earnings that have been commingled as described in paragraph 2.2 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the District nor any member of the same Controlled Group as the District has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

- (i) Sale Proceeds;
- (ii) amounts in any fund or account with respect to the Bonds (other than the Rebate Fund);
- (iii) Transferred Proceeds;
- (iv) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);
- (v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the District encounters financial difficulties;
- (vi) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (*e.g.*, any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the Bonds); or

(vii) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds. The average reasonably expected remaining economic life of the Prior Project is at least 9 years. The weighted average maturity of the Bonds does not exceed 9 years and does not exceed 120 percent of the average reasonably expected economic life of the Prior Project. The maturity schedule of the Bonds (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (*i.e.*, having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

4.1. Compliance with Rebate Provisions. The District covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The District will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law.

4.2. Rebate Fund. The District is hereby authorized to create and establish a special fund to be known as the Rebate Fund (the "*Rebate Fund*"), which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Ordinance. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Ordinance.

4.3. Records. The District agrees to keep and retain or cause to be kept and retained for the period described in paragraph 7.9 adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall

include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

4.4. Fair Market Value; Certificates of Deposit and Investment Agreements. The District will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Ordinance. In making investments of Gross Proceeds or of amounts in the Rebate Fund the District shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the District or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the District will retain the following records with its bond documents until three years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under subparagraph (b)(xi) of this paragraph;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this Section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the District. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this paragraph.

A single investment, or multiple investments awarded to a provider based on a single bid, may not be used for funds subject to different rules relating to rebate or yield restriction.

The foregoing provisions of this paragraph satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this paragraph are contained herein for the protection of the District, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The District will contact Bond Counsel if it does not wish to comply with the provisions of this paragraph and forego the protection provided by the safe harbors provided herein.

4.5. Arbitrage Elections. The President, Secretary and Treasurer of the Board are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

4.6. Six Month Exception. If all Gross Proceeds of the Bonds (including earnings thereon) are spent within six months of the date the Bonds are issued, other than amounts deposited in a reasonably required reserve fund or a bona fide debt service fund, no rebate is required except in the case of unexpected gross proceeds arising after the date of Closing. If all proceeds (including earnings thereon) required to be spent are so spent within this six-month period, except for 5% of the Bond proceeds, and the District spends the 5% (plus earnings thereon), within one year from the Closing, no rebate is required. To qualify for the six-month exception, there must be no other amounts that are treated as Gross Proceeds of the Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if the District qualifies for this exception, the District may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date.

5.1. Issue Price. For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the price being paid to the District by the Purchaser. The Purchaser is buying the Bonds as an investment for its own account with no intention to resell the Bonds. The purchase price of each of the Bonds is not less than the fair market value of the Bond as of the date the Purchaser agreed to buy the Bonds.

5.2. Yield Limits. Except as provided in paragraph (a) or (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds.

The following may be invested without Yield restriction:

(a) amounts on deposit in the Bond Fund (except for capitalized interest and any Reserve Portion of the Bond Fund) that have not been on deposit under the Ordinance for more than 13 months, so long as the Bond Fund (other than the Reserve Portion of the Bond Fund) continues to qualify as a bona fide debt service fund as described in paragraph 3.2 hereof;

(b) (i) An amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;

(ii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and this Ordinance);

(iii) amounts in the Rebate Fund;

(iv) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds;

(v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon other than those on deposit in the Escrow Account for a period of one year from the date received; and

(vi) all amounts used to pay principal and interest on the Prior Bonds within 90 days of Closing.

5.3. Yield Limits on Prior Bond Proceeds. Except for an amount not to exceed the lesser of \$100,000 or five percent of Prior Bond Proceeds, the District acknowledges that all Prior Bond Proceeds must be invested at market prices and at a Yield not in excess of the Yield on the Prior Bonds.

5.4. Continuing Nature of Yield Limits. Except as provided in paragraph 7.10 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

5.5. Federal Guarantees. Except for investments meeting the requirements of paragraph 5.2(a) hereof and except for investments in the Escrow Account, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (*e.g.*, Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this paragraph nor paragraph 5.6 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

5.6. Investments After the Expiration of Temporary Periods, Etc. Any amounts, other than amounts in the Escrow Account, that are subject to the yield limitation in Section 5.2 because Section 5.2(a) is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b) cannot be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (*e.g.*, Refcorp Strips).

6.1. *Payment and Use Tests.* (a) No more than five percent of the proceeds of the 1997 Obligations and the Prior Bonds and investment earnings thereon were used, directly or indirectly, in whole or in part, in any Private Business Use. The District acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Bonds, the 1997 Obligations or on the Prior Bonds considered separately will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the District or a member of the same Controlled Group as the District) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of \$5,000,000 or five percent of the sum of the proceeds of the 1997 Obligations or the Prior Bonds and investment earnings thereon were used, and no more than the lesser of \$5,000,000 or five percent of the sum of the Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons. The District acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Prior Project other than a state or local governmental unit will use more than five percent of such facilities on any basis other than the same basis as the general public.

6.2. *I.R.S. Form 8038-G.* The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, is true and complete. The District will file Form 8038-G (and all other required information reporting forms) in a timely manner.

6.3. *Bank Qualification.* (a) The District hereby designates each of the Bonds as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the District hereby certifies that (i) none of the Bonds will be at anytime a "private activity bond" (as defined in Section 141 of the Code), (ii) as of the date hereof in calendar year 2013, other than the Bonds, no tax-exempt obligations of any kind have been issued (x) by or on behalf of the District, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the District or (z) any portion of which has been allocated to the District for purposes of Section 265(b) of the Code and (iii) not more than \$10,000,000 of obligations of any kind (including the Bonds and the 2013A Bonds) issued (x) by or on behalf of the District, (y) by other issuers any of the proceeds of which have been or will

be used to make any loans to the District or (z) any portion of which has been allocated to the District for purposes of Section 265(b) of the Code during calendar year 2013 will be designated for purposes of Section 265(b)(3) of the Code.

(b) The District is not subject to Control by any entity, and there are no entities subject to Control by the District.

(c) On the date hereof, the District does not reasonably anticipate that for calendar year 2013 it will issue, have another entity issue on behalf of the District, borrow the proceeds of or have allocated to the District for purposes of Section 265(b) of the Code more than \$10,000,000 Section 265 Tax-Exempt Obligations (including the Bonds and the 2013A Bonds). "Section 265 Tax-Exempt Obligations" are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The District will not, in calendar year 2013 issue, permit the issuance on behalf of it or by any entity subject to Control by the District (which may hereafter come into existence), borrow the proceeds of or have allocated to it for purposes of Section 265(b) of the Code Section 265 Tax-Exempt Obligations (including the Bonds and the 2013A Bonds) that exceed the aggregate amount of \$10,000,000 during calendar year 2013 unless it first obtains an opinion of Bond Counsel to the effect that such issuance, borrowing or allocation will not adversely affect the treatment of the Bonds as "qualified tax-exempt obligations" for the purpose and within the meaning of Section 265(b)(3) of the Code.

(d) The Bonds have not been sold in conjunction with any other obligation.

7.1. Termination; Interest of District in Rebate Fund. The terms and provisions set forth in this Section shall terminate at the later of (a) 75 days after the Bonds have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States and any other payments, if any, required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of paragraphs 4.3, 4.4(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

7.2. Separate Issue. Since a date that is 15 days prior to the date of sale of the Bonds by the District to the Purchaser, neither the District nor any member of the same Controlled Group as the District has sold or delivered any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the District nor any member of the same Controlled Group as the District will sell or deliver within 15 days after the date of sale of the Bonds any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

7.3. No Sale of the Prior Project. (a) Other than as provided in the next sentence, neither the Prior Project nor any portion thereof has been, is expected to be, or

will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the District of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity date of the Bonds. The District may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the District of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity of the Bonds, provided: (A) the weighted average maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the District reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the District deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the District reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The District acknowledges that if property financed with the Prior Bonds and refinanced with the Bonds is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a "deliberate action" within the meaning of the Regulations that may require remedial actions to prevent the Bonds from becoming private activity bonds. The District shall promptly contact Bond Counsel if a sale or other disposition of Bond-financed property is considered by the District.

7.4. Purchase of Bonds by District. The District will not purchase any of the Bonds except to cancel such Bonds.

7.5. Final Maturity. The period between the date of Closing and the final maturity of the Bonds is not more than 10-1/2 years.

7.6. Registered Form. The District recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the District agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

7.7. First Amendment. The District acknowledges and agrees that it will not use, or allow the Prior Project to be used, in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State of Illinois.

7.8. Future Events. The District acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein. The District shall promptly contact Bond Counsel if such changes do occur.

7.9. Records Retention. The District agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in this Ordinance and to show that all tax returns related to the Bonds submitted or required to be submitted to the IRS are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including this Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (*i.e.*, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under paragraphs 4.3 and 4.4 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

7.10. Permitted Changes; Opinion of Bond Counsel. The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the District receives an opinion of Bond Counsel to such effect. Unless the District otherwise directs, such opinion shall be in such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of Treasury Department regulations governing practice before the IRS (Circular 230) 31 C.F.R. pt. 10.

7.11. Successors and Assigns. The terms, provisions, covenants and conditions of this Section shall bind and inure to the benefit of the respective successors and assigns of the Board and the District.

7.12. Expectations. The Board has reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the District as to future events, are set forth in summary form in this Section. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the District has adopted the expectations contained herein. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

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

The Board hereby authorizes the officials of the District responsible for issuing the Bonds, the same being the President, Secretary and Treasurer of the Board, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest in the Bonds will be exempt from federal income taxation. In connection therewith, the District and the Board further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the District in such compliance.

Section 15. Tax Matters—Taxable Bonds. The District hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control if taking, permitting or omitting to take such action would cause interest on any of the Taxable Bonds not to be included in the gross income of the recipients thereof for federal income tax purposes.

Section 16. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 17. Duties of Bond Registrar. If requested by the Bond Registrar, the President and Secretary of the Board are authorized to execute the Bond Registrar's standard form of agreement between the District and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the District upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Bonds as provided herein;
- (d) to cancel and/or destroy Bonds which have been paid at maturity or upon redemption or submitted for exchange or transfer;
- (e) to furnish the District at least annually a certificate with respect to Bonds cancelled and/or destroyed; and
- (f) to furnish the District at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

Section 18. Call of the Refunded Bonds and the Defeased Bonds. In accordance with the redemption provisions of the ordinance authorizing the issuance of the Prior Bonds, the District by the Board hereby makes provision for the payment of and does hereby call (subject only to the delivery of the Bonds), the Refunded Bonds and the Defeased Bonds for redemption on their earliest possible and practicable redemption date. The bond registrar for the Prior Bonds is hereby authorized and directed to give timely notice of the call for redemption of the Refunded Bonds and the Defeased Bonds. The form and time of the giving of such notice regarding the

redemption of the Refunded Bonds and the Defeased Bonds shall be as specified in the ordinance authorizing the issuance of the Prior Bonds.

Section 19. Transfer and Deposit of Moneys with the Paying Agent. The Treasurer of the Board is hereby authorized and directed forthwith to transfer the Available Funds to the Paying Agent. The Available Funds are hereby appropriated from funds of the District on hand and legally available and shall be irrevocably deposited with the Paying Agent on or before such date as specified in the Bond Notification, so as to provide for the payment of the principal of the Defeased Bonds on their redemption date.

Section 20. Provisions a Contract. The provisions of this Ordinance shall constitute a contract between the District and the owners of the outstanding Bonds. All covenants relating to the Bonds and the conditions and obligations imposed by Section 15 of the Act are enforceable by any holder of the Bonds affected, any taxpayer of the District and the People of the State of Illinois acting through the Attorney General or any designee.

Section 21. Severability. If any section, paragraph, clause 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.

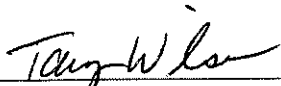
Section 22. Repeal. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed and this Ordinance shall be in full force and effect forthwith upon its adoption.

Adopted October 15, 2013.



President, Board of Park Commissioners

Attest:



Secretary, Board of Park Commissioners

EXHIBIT A

_____, 2013

The Bank of New York Mellon
Trust Company, National Association
St. Louis, Missouri

Re: Collinsville Area Recreation District
Madison and St. Clair Counties, Illinois
[Taxable] General Obligation Refunding Park Bonds (Alternate Revenue Source),
Series 2013 []

Ladies and Gentlemen:

The Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois (the "*District*"), by Ordinance No. 13-2 adopted by the Board of Park Commissioners of the District (the "*Board*") on the 15th day of October, 2013 (the "*Bond Ordinance*"), has authorized the issue and delivery of \$_____ [Taxable] General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2013[], dated _____, 2013 (the "*Bonds*"). The District has authorized by the Bond Ordinance that proceeds of the Bonds and certain funds of the District on hand and legally available be used to pay and redeem on _____, 20__, the District's outstanding and unpaid General Obligation Bonds (Alternate Revenue Source), Series 2004, dated November 30, 2004 (the "*Refunded Bonds*"), maturing on December 1 of the years and in the amounts and bearing interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2014	\$	3.65%
2015		3.75%
2016		3.80%
2017		3.90%
2018		4.00%
2019		4.10%
2020		4.25%
2021		4.35%

The District hereby deposits with you \$_____ from the proceeds of the Bonds and \$_____ from funds of the District on hand and lawfully available (collectively, the "*Deposit*") and you are hereby instructed as follows with respect thereto:

1. Upon deposit, you are directed to hold the Deposit in an irrevocable trust fund account (the "*Trust Account*") for the District to the benefit of the holders of the Refunded Bonds.

2. You shall hold the Deposit in the Trust Account for the sole and exclusive benefit of the holders of the Refunded Bonds until redemption of the Refunded Bonds on _____, 20__ is made.

3. You shall invest the Deposit in investments for which there is an established market, which will be purchased at market prices, and which will bear a Yield (as such is defined in the Bond Ordinance) not in excess of the Yield on the Bonds, which has been calculated to be _____%, or alternatively, you shall invest the Deposit in United States Treasury Certificates of Indebtedness of the State and Local Government Series, bearing a Yield not in excess of the Yield on the Bonds.

4. The District has called the Refunded Bonds for redemption and payment prior to maturity on _____, 20__. You are hereby directed to provide for and give timely notice of the call for redemption of the Refunded Bonds. The form and time of the giving of such notice regarding the Refunded Bonds shall be as specified in the ordinance authorizing the issuance of the Refunded Bonds. The District agrees to reimburse you for any actual out-of-pocket expenses incurred in the giving of such notice, but the failure of the District to make such payment shall not in any respect whatsoever relieve you from carrying out any of the duties, terms or provisions of this Agreement.

5. You shall remit the sum of \$_____ on _____, 20__ to The Bank of New York Mellon Trust Company, National Association, St. Louis, Missouri, as paying agent for the Refunded Bonds, such sum being sufficient to pay the principal of and interest on the Refunded Bonds on such date, and such remittance shall fully release and discharge you from any further duty or obligation thereto under this Agreement.

6. You shall make no payment of fees, due or to become due, of the bond registrar and paying agent on the Bonds or the Refunded Bonds. The District shall pay the same as they become due.

7. If at any time it shall appear to you that the funds on deposit in the Trust Account will not be sufficient to pay the principal of and interest on the Refunded Bonds on _____, 20__, you shall notify the District not less than five (5) days prior to such Payment and the District shall make up the anticipated deficit from any funds legally available for such purpose so that no default in the making of any such payment will occur.

8. That, upon final disbursement of funds sufficient to pay the Refunded Bonds as hereinabove provided for, you shall transfer any balance remaining in the Trust Account to the District and thereupon this Agreement shall terminate.

Very truly yours,

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

By _____
President, Board of Park Commissioners

By _____
Secretary, Board of Park Commissioners

Accepted this ____ day of _____, 2013.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, NATIONAL ASSOCIATION,
St. Louis, Missouri

By _____
Its _____

Park Commissioner Achenbach moved and Park Commissioner Collins seconded the motion that said ordinance as presented and read by title be adopted.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt said ordinance.

Upon the roll being called, the following Park Commissioners voted AYE: David
TANZYUS, Mary Ann Bitzer, Patrick Collins, Mark Achenbach
Jeanne Lomax

The following Park Commissioners voted NAY: NONE

Whereupon the President declared the motion carried and said ordinance adopted, approved and signed the same in open meeting and directed the Secretary to record the same in full in the records of the Board of Park Commissioners of the Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois, which was done.

Other business not pertinent to the adoption of said ordinance was duly transacted at said meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

Tang Wilson
Secretary, Board of Park Commissioners

STATE OF ILLINOIS)
) SS
COUNTY OF MADISON)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Park Commissioners of the Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois (the "*Board*"), and as such official am the keeper of the records and files of the Board.

I further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Board held on the 15th day of October, 2013, insofar as the same relates to the adoption of Ordinance No. 13-3 entitled:

AN ORDINANCE providing for (a) the issue of not to exceed \$3,075,000 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2013, of the Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois, for the purpose of refunding certain of the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2004 (the "*Series 2004 Bonds*"), and the levy of a direct annual tax sufficient to pay the principal and interest thereon, and (b) the payment of certain of the Series 2004 Bonds in advance of their maturity.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 96 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 96-hour period preceding such meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Park District Code of the State of Illinois, as amended, the Open Meetings Act of the State of Illinois, as amended, and the Local Government Debt Reform Act of the State of Illinois, as amended, and that the Board has complied with all of the applicable provisions of said Code and said Acts and with all of the procedural rules of the Board.

STATE OF ILLINOIS)
) SS
COUNTY OF ST. CLAIR)

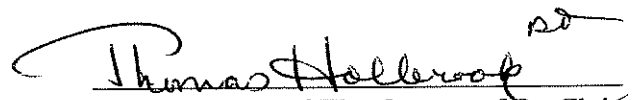
FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of St. Clair, Illinois, and as such official I do further certify that on the 30th day of October, 2013, there was filed in my office a duly certified copy of Ordinance No. 13-3 entitled:

AN ORDINANCE providing for (a) the issue of not to exceed \$3,075,000 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2013, of the Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois, for the purpose of refunding certain of the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2004 (the "Series 2004 Bonds"), and the levy of a direct annual tax sufficient to pay the principal and interest thereon, and (b) the payment of certain of the Series 2004 Bonds in advance of their maturity.

duly adopted by the Board of Park Commissioners of the Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois, on the 15th day of October, 2013, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this 30th day of October, 2013.


County Clerk of The County of St. Clair,
Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF MADISON)

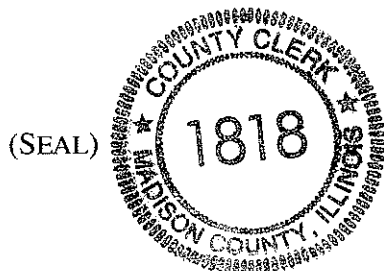
FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Madison, Illinois, and as such official I do further certify that on the 30th day of October, 2013, there was filed in my office a duly certified copy of Ordinance No. 13-3 entitled:

AN ORDINANCE providing for (a) the issue of not to exceed \$3,075,000 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2013, of the Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois, for the purpose of refunding certain of the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2004 (the "Series 2004 Bonds"), and the levy of a direct annual tax sufficient to pay the principal and interest thereon, and (b) the payment of certain of the Series 2004 Bonds in advance of their maturity.

duly adopted by the Board of Park Commissioners of the Collinsville Area Recreation District, Madison and St. Clair Counties, Illinois, on the 15th day of October, 2013, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this 30th day of October, 2013.



Delira D. Ming-Mendoza
County Clerk of The County of
Madison, Illinois by Linda Carroll, Deputy