MINUTES of a regular public meeting of the Board of Park Commissioners of the Batavia Park District, Kane County, Illinois, held at the Civic Center, 327 West Wilson Street, Batavia, Illinois, in said Park District at 7:00 o’clock P.M., on the 15th day of November, 2011.

*         *         *

The President called the meeting to order and directed the Secretary to call the roll.

Upon the roll being called, Patrick J. Callahan, the President, and the following Park Commissioners were physically present at said location: Foiles, Tilmom, Riley, Corken and Callahan.

The following Park Commissioners were allowed by a majority of the members of the Board of Park Commissioners in accordance with and to the extent allowed by rules adopted by the Board of Park Commissioners to attend the meeting by video or audio conference:  

No Park Commissioner was not permitted to attend the meeting by video or audio conference.

The following Park Commissioners were absent and did not participate in the meeting in any manner or to any extent whatsoever:

The President announced that a proposal had been received from Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri, for the purchase of the District’s General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2011B, and that the Board of Park Commissioners would consider the adoption of an ordinance providing for the issue of said bonds and for the levy of a direct annual tax sufficient to pay the principal and interest thereon.
Whereupon Park Commissioner Callahan presented and the Secretary read by title the following ordinance, a copy of which was made available to each Park Commissioner prior to said meeting and to all in attendance at said meeting who requested a copy:
ORDINANCE NO. 308

AN ORDINANCE providing for the issue of $3,110,000 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2011B, of the Batavia Park District, Kane County, Illinois.

* * *

WHEREAS, the Batavia Park District, Kane County, 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 heretofore issued its $4,070,000 General Obligation Park Bonds (Alternate Revenue Source), Series 2002, dated July 1, 2002 (the "2002 Bonds"), of which $2,010,000 are currently outstanding and unpaid, and $3,700,000 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2003, dated November 1, 2003 (the "2003 Bonds" and, together with the 2002 Bonds, the "Prior Bonds"), of which $1,105,000 are currently outstanding and unpaid; and

WHEREAS, the Prior Bonds are binding and subsisting legal obligations of the District; 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 the outstanding Prior Bonds due on and after December 15, 2012 (the "Refunded Bonds") in order to reduce the interest costs of the District (the "Refunding"); and

WHEREAS, the estimated cost of the Refunding, including legal, financial, printing and publication costs and other expenses, is not less than $3,110,000, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, for the purpose of providing funds to refund the Refunded Bonds and in accordance with the provisions of the Local Government Debt Reform Act of the State of
Illinois, as amended (the "Act"), the Board is authorized to issue alternate bonds, being general obligation bonds payable (a) together with the District’s outstanding General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2009 (the "Outstanding Alternate Bonds"), from amounts received by the District from its corporate fund levy and other legally available funds of the District, including the principal proceeds received by the District from time to time from the issuance of its general obligation bonds or notes to the fullest extent permitted by law, including Section 15.01 of the Act and Section 6-4 of the Park Code (collectively, the "Pledged Revenues"), and (b) from ad valorem taxes levied against 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 Park Code; and

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

WHEREAS, the term of the alternate bonds to be issued for the purpose of refunding the 2002 Bonds to be refunded (the "Refunded 2002 Bonds") will not be longer than the term of the Refunded 2002 Bonds, and the debt service payable in any year on the alternate bonds to be issued for the purpose of refunding the Refunded 2002 Bonds will not exceed the debt service payable in such year on the Refunded 2002 Bonds; and

WHEREAS, the term of the alternate bonds to be issued for the purpose of refunding the 2003 Bonds to be refunded (the "Refunded 2003 Bonds") will not be longer than the term of the Refunded 2003 Bonds, and the debt service payable in any year on the alternate bonds to be issued for the purpose of refunding the Refunded 2003 Bonds will not exceed the debt service payable in such year on the Refunded 2003 Bonds; and

WHEREAS, the Board is now authorized to issue alternate bonds in the amount of $2,010,000 in accordance with the provisions of the Act for the purpose of refunding the
Refunded 2002 Bonds, and the Board hereby determines that it is necessary and desirable that there be issued $2,010,000 of the bonds so authorized; and

WHEREAS, the Board is now authorized to issue alternate bonds in the amount of $1,100,000 in accordance with the provisions of the Act for the purpose of refunding the Refunded 2003 Bonds, and the Board hereby determines that it is necessary and desirable that there be issued $1,100,000 of the bonds so authorized; and

WHEREAS, it is necessary and in the best interests of the District to issue $2,010,000 alternate bonds to refund the Refunded 2002 Bonds and $1,100,000 alternate bonds to refund the Refunded 2003 Bonds together as one issue in the aggregate principal amount of $3,110,000; and

WHEREAS, the alternate bonds to be issued for the purpose of refunding the Refunded Bonds will be payable from the Pledged Revenues and the Pledged Taxes; and

WHEREAS, the Board hereby determines that the Pledged Revenues will provide in each year, an amount not less than 1.25 times debt service on the alternate bonds proposed to be issued and the Outstanding Alternate Bonds, there being no other outstanding alternate bonds payable from the Pledged Revenues other than the Prior Bonds and the Outstanding Alternate Bonds; and

WHEREAS, the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Tax Cap Law"), imposes certain limitations on the "aggregate extension" of certain property taxes levied by the District, but provides that the definition of "aggregate extension" contained in the Tax Cap Law does not include extensions made for any taxing district subject to the Tax Cap Law to pay interest or principal on bonds issued under Section 15 of the Act; and

WHEREAS, the Board does hereby find and determine that the alternate bonds to be issued will be issued under Section 15 of the Act; and
WHEREAS, the County Clerk of The County of Kane, Illinois (the “County Clerk”), is therefore authorized to extend and collect said tax so levied for the payment of said alternate bonds without limitation as to rate or amount; and

WHEREAS, in accordance with the terms of the Refunded Bonds, the Refunded Bonds may 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 their earliest possible redemption date, and provide for the giving of proper notice to the registered owners of the Refunded Bonds:

NOW, THEREFORE, Be It Ordained by the Board of Park Commissioners of the Batavia Park District, Kane County, 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 District has been authorized by the Act to borrow the sum of $3,110,000 upon the credit of the District and as evidence of such indebtedness to issue alternate bonds, being general obligation bonds payable from the Pledged Revenues, as provided by the Act, to said amount, the proceeds of said bonds to be used for the purpose of refunding the Refunded 2002 Bonds, that the District has been authorized by the Act to borrow the sum of $3,110,000 upon the credit of the District and as evidence of such indebtedness to issue alternate bonds, being general obligation bonds payable from the Pledged Revenues, as provided by the Act, to said amount, the proceeds of said bonds to be used for the purpose of refunding the Refunded 2003 Bonds, and that it is necessary and for the best interests of the District that the bonds so authorized be issued as one series in the aggregate principal amount of $3,100,000.
Section 3. Bond Details. There be borrowed on the credit of and for and on behalf of the District the sum of $3,110,000 for the purposes aforesaid; and that alternate bonds of the District (the “Bonds”) shall be issued in said amount and shall be designated “General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2011B.” The Bonds shall be dated December 6, 2011, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of $5,000 each and authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), shall be numbered 1 and upward, and the Bonds shall become due and payable serially (without option of prior redemption) on December 15 of each of the years, in the amounts and bearing interest per annum as follows:

<table>
<thead>
<tr>
<th>YEAR OF MATURITY</th>
<th>PRINCIPAL AMOUNT</th>
<th>RATE OF INTEREST</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$ 765,000</td>
<td>2.00%</td>
</tr>
<tr>
<td>2013</td>
<td>945,000</td>
<td>2.00%</td>
</tr>
<tr>
<td>2014</td>
<td>1,005,000</td>
<td>2.00%</td>
</tr>
<tr>
<td>2015</td>
<td>395,000</td>
<td>2.00%</td>
</tr>
</tbody>
</table>

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 on June 15 and December 15 of each year, commencing on June 15, 2012. Interest on each Bond shall be paid by check or draft of Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent (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 1st day of the month of any 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 manual or facsimile signatures of the President and Secretary of the Board, and shall be countersigned by the manual or facsimile signature of 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.

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.  (a) General. 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 for the Bonds. 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 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 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 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 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 1st day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his 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.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 3 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto ("Cede"), as
nominee of The Depository Trust Company, New York, New York, and its successors and assigns ("DTC"). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The President and Secretary of the Board and the Bond Registrar are each authorized to execute and deliver, on behalf of the District, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "Representation Letter"), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the District and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to the principal of or interest on the Bonds. The District and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond
Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the District to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 3 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 1st day of the month of the applicable interest payment date, the name "Cede" in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the District determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the District, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the District determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the District shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the District may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the District, or such depository's agent or designee, and if the District does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 4(a) hereof.
Notwithstanding any other provisions of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the name provided in the Representation Letter.

Section 5. 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 paragraphs [6] through [10] shall be inserted immediately after paragraph [1]:

[Form of Bond - Front Side]

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF KANE

BATAVIA PARK DISTRICT

GENERAL OBLIGATION REFUNDING PARK BOND
(ALTERNATE REVENUE SOURCE), SERIES 2011B

See Reverse Side for Additional Provisions

Interest Rate: 2.00%  Maturity Date: December 15, 20__  Dated Date: December 6, 2011  CUSIP: 070379__

Registered Owner:

Principal Amount:

[1] KNOW ALL MEN BY THESE PRESENTS, that the Batavia Park District, Kane County, 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 15 and December 15 of each year, commencing June 15, 2012, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America at the principal corporate trust office of Amalgamated Bank of Chicago, Chicago, Illinois, 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 first day of the month of 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 Batavia Park District, Kane County, Illinois, by its
Board of Park Commissioners, has caused this Bond to be signed by the manual or duly
authorized facsimile signatures of the President and Secretary of said Board of Park
Commissioners, and to be countersigned by the manual or duly authorized facsimile signature of
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.
Countersigned:

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 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2011B, of the Batavia Park District, Kane County, Illinois.

AMALGAMATED BANK OF CHICAGO,
as Bond Registrar

By____________________________________
Authorized Officer

President, Board of Park Commissioners

Secretary, Board of Park Commissioners

Bond Registrar and Paying Agent: Amalgamated Bank of Chicago, Chicago, Illinois
[Form of Bond - Reverse Side]

BATAVIA PARK DISTRICT

KANE COUNTY, ILLINOIS

GENERAL OBLIGATION REFUNDING PARK BOND
(ALTERNATE REVENUE SOURCE), SERIES 2011B

[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 currently 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 November, 2011 (the “Bond Ordinance”), in all respects as provided by law.

[7] The Bonds are payable (a) together with the District’s outstanding General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2009, dated May 27, 2009 (the “2009 Bonds”), from amounts received by the District from its corporate fund levy and other legally available funds of the District, including the principal proceeds received by the District from time to time from the issuance of its general obligation bonds or notes to the fullest extent permitted by law, including Section 15.01 of the Act and Section 6-4 of the Code (collectively, the “Pledged Revenues”), and (b) from ad valorem taxes levied against 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. The Bonds are issued on a parity with the 2009 Bonds to the extent the Bonds and the 2009 Bonds are payable from the Pledged Revenues. 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.

[8] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in
Chicago, Illinois, 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 maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[9] The Bonds are issued in fully registered form in the denomination of $5,000 each or authorized integral multiples 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 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 1st day of the month of any interest payment date on such Bond and ending at the opening of business on such interest payment date.

[10] 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 6. Sale of Bonds. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the Treasurer of the Board, and be by said Treasurer delivered to Stifel, Nicolaus & Company, St. Louis, Missouri, the purchaser thereof (the "Purchaser"), upon receipt of the purchase price therefor, the same being $3,173,362.55; the contract for the sale of the Bonds heretofore entered into (the "Purchase Contract") is in all respects ratified, approved and confirmed, it being hereby found and determined that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceed the maximum rate otherwise authorized by Illinois law and that the Purchase Contract is in the best interests of the District and 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 Official Statement and any final Official Statement relating to the Bonds (the "Official Statement") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement 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 Official Statement, the Official Statement and the Bonds.

Section 7. 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 amounts received by the District from its corporate fund levy and other legally available funds of the District, and will issue its general obligation bonds or notes to the fullest extent permitted by law, including Section 15.01 of the Act and Section 6-4 of the Park Code, and appropriate the principal proceeds received by the District from time to time from the issuance of said bonds and notes, annually in such amounts and in a timely manner so as to provide for the payment of the Bonds and the Outstanding Alternate Bonds and not less than an additional .25 times debt service. The Pledged Revenues shall be deposited into the Bond Fund, as hereinafter defined. The Pledged Revenues are hereby pledged to the payment of the Bonds and the Outstanding Alternate 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 Outstanding Alternate Bonds and the provision of not less than an additional .25 times debt service.

The Bonds are being issued on a parity with the Outstanding Alternate Bonds to the extent the Outstanding Alternate Bonds are payable from the Pledged Revenues. 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:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$ 828,755</td>
<td>for interest and principal up to and including December 15, 2012</td>
</tr>
<tr>
<td>2012</td>
<td>$ 991,900</td>
<td>for principal and interest</td>
</tr>
<tr>
<td>2013</td>
<td>$1,033,000</td>
<td>for principal and interest</td>
</tr>
<tr>
<td>2014</td>
<td>$ 402,900</td>
<td>for principal and interest</td>
</tr>
</tbody>
</table>

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.

Section 8. Filing of Ordinance. After this Ordinance becomes effective, a copy hereof, certified by the Secretary of the Board, shall be filed with the County Clerk; and the County Clerk 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 Clerk 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 9. Abatement of Pledged Taxes. Whenever Pledged Revenues 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 Pledged Revenues into the Bond Fund or into a proper escrow account created solely for such purpose, and, in and by such proceeding or action, shall direct the abatement of the Pledged Taxes by such amount, and proper notification of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement.

Section 10. 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 2011” (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 Clerk, a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Prior Bonds being refunded and directing the abatement of the taxes heretofore levied to pay the Refunded Bonds.

Section 11. Use of Bond Proceeds. Simultaneously with the delivery of the Bonds, the principal proceeds of the Bonds, together with any premium received from the sale of the Bonds and such additional amounts as may be necessary from the general funds of the District, shall be used either for payment of expenses of issuing the Bonds or for the purpose of refunding the
Refunded Bonds, and that portion not needed to pay said expenses is hereby ordered deposited in escrow pursuant to an Escrow Letter Agreement to be entered into between the District and Amalgamated Bank of Chicago, Chicago, Illinois, as escrow agent (the "Escrow Agent"), in substantially the form attached hereto as Exhibit A (the "Escrow Agreement") and made a part hereof by this reference, or with such changes therein as shall be approved by the officers of the District executing the Escrow Agreement, such execution to constitute evidence of the approval of such changes, for the purpose of paying the principal of and interest on the Refunded Bonds as such become due upon their redemption date. The Board approves the form, terms and provisions of the Escrow Agreement and directs the President and Secretary of the Board to execute, attest, seal and deliver the Escrow Agreement in the name and on behalf of the District. Said amount in the escrow may be used to purchase U.S. Treasury Securities—State and Local Government Series (the "Government Securities") to provide for the redemption of the Refunded Bonds. The Escrow Agent and the Purchaser are each hereby authorized to act as agent for the District in the purchase of the Government Securities.

Section 12. Non-Arbitrage and Tax-Exemption. 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:

"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.

“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[, but not including the fees for the Credit Facility described in paragraph 5.7 hereof].

[“Credit Facility” means the municipal bond insurance policy issued by the Credit Facility Provider.


“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 account established pursuant to the Escrow Agreement.
“Escrow Agent” means Amalgamated Bank of Chicago, Chicago, Illinois, as escrow agent under the Escrow Agreement.

“Escrow Agreement” means the agreement between the Escrow Agent and the District providing for the deposit in trust of certain Government Securities for the purpose of refunding in advance of maturity the Refunded Bonds.

“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 Refunded 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 the Refunded Bonds were issued but only if it is to be paid within one year after the Refunded Bonds were issued and (b) amounts derived from the sale of any right that is part of the terms of a Refunded Bond or is otherwise associated with a Refunded 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 4.1 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.

"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 Internal Revenue Service 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 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) payments of interest on the Bonds for the period commencing at Closing and ending on the date one year after the date on which the Prior Project is Placed-in-Service;

(b) Costs of Issuance and Qualified Administrative Costs of Investments;

(c) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;

(d) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon;

(e) fees for the Credit Facility; and

(f) 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 Internal Revenue Service 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 Bond holder, the Credit Facility Provider, or any other 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. Internal Revenue Service Audits. The District represents that the Internal Revenue Service 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 Internal Revenue Service.

2.10. Abusive Transactions. Neither the District nor any member of the same Controlled Group as the District will receive a rebate or credit resulting from any payments having been made in connection with the issuance of the Bonds or the advance refunding of the Refunded Bonds.

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, except for any payment to the Credit Facility Provider. No Sale Proceeds or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from 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 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 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 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.

3.3. The Prior Bonds. (a) As of the earlier of (i) the time of the Closing or (ii) the date three years after the Prior Bonds were issued, 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 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 the Prior Bonds were issued and such proceeds were so spent. Not more than 50% of the proceeds of the Prior Bonds to be used for non-refunding purposes was invested in investments having a substantially guaranteed Yield for four years or more.

(e) The Refunded Bonds subject to redemption prior to maturity will be called on the first optional redemption date of the Refunded Bonds.

(f) The District has not been notified that the Prior Bonds or any obligation refunded by the Prior Bonds is under examination by the Internal Revenue Service, and to the best of the District’s knowledge neither the Prior Bonds nor any obligation refunded by the Prior Bonds is under examination by the Internal Revenue Service.

(g) 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.

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

(b) The uninvested cash and 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 any callable Refunded Bonds on the first optional redemption date of such callable Refunded Bonds, 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 10 years. The weighted average maturity of the Bonds does not exceed 10 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 hereby elect to treat the Bonds and the District’s $500,000 General Obligation Limited Tax Park Bonds, Series 2011A (the “2011A Bonds”), as a single issue for federal tax law purposes and are hereby authorized to execute one or more additional elections regarding certain matters with respect to arbitrage.
4.6. **Six-Month Rebate Exception.** The District expects that at least 95% of the proceeds of the Bonds will be expended within six months from the date of Closing and that 100 percent of the proceeds of the Bonds will be expended within one year from the date of Closing. Accordingly, the District expects that the Bonds will be exempt from Rebate as a result of the six month spending exception. The District will monitor expenditures to determine if the six month expenditure test is met. If it is not met, the District will rebate arbitrage profits on the Bonds.

5.1. **Issue Price.** For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the first offering price (including accrued interest) at which the Purchaser reasonably expected to sell at least ten percent of the principal amount of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). All of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those set forth in the Official Statement. Based upon prevailing market conditions, such prices are not less than the fair market value of each Bond as of the sale date for 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) that have not been on deposit under the Ordinance for more than 13 months, so long as 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; and

(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.
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).

5.7. **Treatment of Certain Credit Facility Fees.** The fee paid to the Credit Facility Provider with respect to the Credit Facility may be treated as interest in computing Bond Yield.
Neither the District nor any member of the same Controlled Group as the District is a Related Person as defined in Section 144(a)(3) of the Code to the Credit Facility Provider. The fee paid to the Credit Facility Provider does not exceed ten percent of the Sale Proceeds. Other than the fee paid to the Credit Facility Provider, neither the Credit Facility Provider nor any person who is a Related Person to the Credit Facility Provider within the meaning of Section 144(a)(3) of the Code will use any Sale Proceeds or investment earnings thereon. The fee paid for the Credit Facility does not exceed a reasonable, arm’s length charge for the transfer of credit risk. The fee does not include any payment for any direct or indirect services other than the transfer of credit risk.

6.1. Payment and Use Tests. (a) No more than five percent of the proceeds of each issue of 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 or on each issue of 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 each issue of 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, considered separately, 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 2011, other than the Bonds, the March 2011 Bonds and the 2011A 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, the March 2011 Bonds and the 2011A 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 2011 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 2011 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, the March 2011 Bonds and the 2011A 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 2011 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, the March 2011 Bonds and the 2011A Bonds) that exceed the aggregate amount of $10,000,000 during calendar year 2011 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 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 and the 2011A 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 and the 2011A 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 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. First Call Date Limitation. The period between the date of Closing and the first call date 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 Internal Revenue Service 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 Internal Revenue Service (Circular 230) 31 C.F.R. pt. 10.

7.11. Excess Proceeds. Gross Proceeds of the Bonds and investment earnings thereon and all unspent Prior Bond Proceeds as of the date of Closing and investment earnings thereon do not exceed by more than one percent of the Sale Proceeds of the Bonds the amount that will be used for:

(i) payment of principal of or interest or call premium on the Refunded Bonds;

(ii) payment of pre-issuance accrued interest on the Bonds and interest on the Bonds that accrues for a period up to the completion date of any capital project for which the prior issue was issued, plus one year;

(iii) payment of cost of issuance of the Bonds;

(iv) payment of administrative costs allocable to repaying the Refunded Bonds, carrying and repaying the Bonds or investments of the Bonds;

(v) Prior Bond Proceeds that will be used or maintained for the governmental purpose of the Refunded Bonds;

(vi) interest on purpose investments; and

(vii) costs of the Credit Facility allocable to the Bonds.

7.12. 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.

7.13. 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. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. 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 13. 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 14. 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 cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;

(d) to furnish the District at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(e) 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 15. 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 16. Continuing Disclosure Undertaking. The President of the Board is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the “Continuing Disclosure Undertaking”). When the Continuing Disclosure Undertaking is executed and delivered on behalf of the District as herein provided, the Continuing Disclosure Undertaking will be binding on the District and the officers, employees and agents of the District, and the officers, employees and agents of the District are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedy for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order to cause the District to comply with its obligations under the Continuing Disclosure Undertaking.
Section 17. **Call of the Prior Bonds.** In accordance with the redemption provisions of the ordinances under which the Prior Bonds were issued, 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 for redemption and payment prior to maturity on December 16, 2011.

Section 18. **Record-Keeping Policy and Post-Issuance Compliance Matters.** On February 15, 2011, the Board adopted a record-keeping policy to assist the District in demonstrating compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds or other bonds or debt obligations of the District (collectively, the “Policy”). The Board hereby amends the Policy to include the following provision:

*Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the District has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax-Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the District’s staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Ordinance and the applicable tax documents for each series of Tax-Exempt Obligations then currently outstanding (the “Tax Agreements”) to staff members who may be responsible for taking actions described in such documents. The Compliance Officer will review this Ordinance and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

Section 19. **Severability.** If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such
section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 20. 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 November 15, 2011.

[Signature]
President, Board of Park Commissioners

Attest:

[Signature]
Secretary, Board of Park Commissioners
EXHIBIT A

ESCROW LETTER AGREEMENT

December __, 2011

Amalgamated Bank of Chicago
One West Monroe Street
Chicago, Illinois 60603

Re: Batavia Park District, Kane County, Illinois
General Obligation Refunding Park Bonds
(Alternate Revenue Source), Series 2011B

Ladies and Gentlemen:

The Batavia Park District, Kane County, Illinois (the “District”), by an ordinance adopted by its Board of Park Commissioners on the 15th day of November, 2011 (the “Bond Ordinance”) has authorized the issue and delivery of $________ General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2011B, dated __________, 2011 (the “Bonds”). The District has authorized by the Bond Ordinance that proceeds of the Bonds be used to pay and redeem on December 16, 2011, the District’s outstanding and unpaid General Obligation Park Bonds (Alternate Revenue Source), Series 2002, dated July 1, 2002, maturing on and after December 15, 2012 (the “Series 2002 Bonds”), and General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2003, dated November 1, 2003, maturing on and after December 15, 2012 (the “Series 2003 Bonds”), together with the Series 2002 Bonds, the “Prior Bonds”).

The District hereby deposits with you $________ from the proceeds of the Bonds and $________ from funds of the District on hand and lawfully available and you are hereby instructed as follows with respect thereto:

1. Upon deposit, you are directed to purchase U.S. Treasury Securities State and Local Government Series (Certificates of Indebtedness) (the “SLGs”) in the amount of $________ and maturing as described in Exhibit A hereto. You are further instructed to fund a beginning cash escrow deposit on demand in the amount of $. The beginning deposit and the SLGs are to be held in an irrevocable trust fund account (the “Trust Account”) for the District to the benefit of the holders of the Prior Bonds.

2. You shall hold the SLGs and interest income or profit derived therefrom and all uninvested cash in the Trust Account for the sole and exclusive benefit of the holders of the Prior Bonds until payment of the Prior Bonds on December 16, 2011, is made.
3. You shall promptly collect the principal, interest or profit from the SLGs and promptly apply the same, altogether with the initial cash deposit, as necessary to the payment of the Prior Bonds as herein provided.

4. The District has called the Prior Bonds for redemption and payment prior to maturity on December 16, 2011. You are hereby directed as bond registrar and paying agent for the Prior Bonds (the “Bond Registrar”), to provide for and give timely notice of the call for redemption of the Prior Bonds. The form and time of the giving of such notice regarding the Prior Bonds shall be as specified in the ordinances authorizing the issuance of the Prior 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 to the Bond Registrar the sum of $________ on December 16, 2011, such sum being sufficient to pay the principal of and interest on the Series 2002 Bonds on such date, and you shall also remit to the Bond Registrar the sum of $________ on December 16, 2011, such sum being sufficient to pay the redemption price of the Series 2003 Bonds on such date, and such remittances 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, or the bond registrar and paying agent on the Bonds. The District shall pay the same as they become due.

7. If at any time it shall appear to you that the available proceeds of the SLGs and deposits on demand in the Trust Account will not be sufficient to pay the redemption price of the Prior Bonds on December 16, 2011, you shall notify the District not less than five (5) days prior to such date 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 Prior 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,

BATAVIA PARK DISTRICT, KANE COUNTY, ILLINOIS

By __________________________________________
President, Board of Park Commissioners

Accepted this 16th day of December, 2011.

AMALGAMATED BANK OF CHICAGO
Chicago, Illinois

By __________________________________________
Its __________________________________________
Park Commissioner Foiles moved and Park Commissioner Tilmon 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:

Foiles, Tilmon, Rielly, Corken and Callahan

and the following Park Commissioners voted NAY:

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 Batavia Park District, Kane County, 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.

[Signature]
Secretary, Board of Park Commissioners
STATE OF ILLINOIS  
) SS
COUNTY OF KANE  

CERTIFICATION OF MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Park Commissioners of the Batavia Park District, Kane County, 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 November, 2011, insofar as the same relates to the adoption of Ordinance No. 308 entitled:

AN ORDINANCE providing for the issue of $3,110,000 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2011B, of the Batavia Park District, Kane County, Illinois.

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 principal office of the Board and at the location where said meeting was held at least 120 hours in advance of the holding of said 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 Open Meetings Act of the State of Illinois, as amended, the Park District Code 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 provisions of said Acts and said Code and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of said Park District, this 15th day of November, 2011.

[Signature]

Secretary, Board of Park Commissioners

(SEAL)
STATE OF ILLINOIS  
    )
    ) ss
COUNTY OF KANE   

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of Kane County, Illinois, and as such official I do further certify that on the 21 day of November, 2011, there was filed in my office a duly certified copy of Ordinance No. 308 entitled:

AN ORDINANCE providing for the issue of $3,110,000 General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2011B, of the Batavia Park District, Kane County, Illinois.

duly adopted by the Board of Park Commissioners of the Batavia Park District, Kane County, Illinois, on the 15th day of November, 2011, 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 21 day of November, 2011.

County Clerk of Kane County, Illinois

(SEAL)