



LAKE COUNTY FOREST PRESERVES
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Preservation, Restoration, Education and Recreation

DATE: June 9, 2016

MEMO TO: S. Michael Rummel, Chair
Finance and Administrative Committee

FROM: Steve Neaman
Director of Finance

RECOMMENDATION: Recommend adoption of (i) an Ordinance authorizing the sale of refunding bonds in an amount not to exceed \$51,000,000 to refund the outstanding portion of Series 2008A and 2008B bonds and (ii) an Ordinance authorizing the sale of refunding bonds in an amount not to exceed \$26,500,000 to refund the outstanding portion of Series 2009A bonds, if current market conditions remain favorable.

STRATEGIC DIRECTION SUPPORTED: Organizational Sustainability.

FINANCIAL DATA: It is currently estimated that the net present value savings from refunding these bonds is over \$8 million.

BACKGROUND: With the help of our financial advisor, Speer Financial, the District monitors bond markets to see if it would make financial sense to refund prior outstanding General Obligation Bonds. Conditions are currently favorable to refinance three previous bond issues. Those bonds are the 2008A, 2008B and 2009A series. The estimated combined net present value would save over \$8 million dollars at this time. Staff recommends refunding these bonds.

The bonds would be scheduled to be sold at auction on July 12, 2016 with a report to the Board at its meeting on July 13, 2016. Attached is an analysis from Speer detailing the refinancing and a tentative bond sale timetable. If the market rates deteriorate significantly by that time we can postpone the sale. Designated officers to approve the sale are: President, Treasurer, and Finance and Administrative Committee Chair as elected officials; and Executive Director and Director of Finance as appointed officials.

REASON FOR RECOMMENDATION: Committee and Board approval is required in accordance with District policy.

REVIEW BY OTHERS: Executive Director, Chief Operations Officer, Bond Counsel, Corporate Counsel

PRESENTER: Steve Neaman

MINUTES of a regular public meeting of the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois, held at the boardroom on the 10th floor of the County Building, 18 N. County Street, Waukegan, Illinois, in said District at _____ a.m., on the 14th day of June, 2016.

* * *

The meeting was called to order by the President, and upon the roll being called, Ann B. Maine, the President, and the following members of the Board of Commissioners, all being physically present in chambers, answered present: _____

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

No Commissioner was denied permission to attend the meeting by video or audio conference.

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

There being a quorum present, the Board of Commissioners conducted various business.

* * * * *

The Board of Commissioners then discussed a proposed refunding of certain of the District's General Obligation Limited Tax Land Acquisition Bonds, Series 2008A and General Obligation Limited Tax Land Acquisition and Development Bonds, Series 2008B, of the District, as previously issued and now outstanding, to achieve net present value savings, and considered

an ordinance providing for the issuance and sale of not to exceed \$51,000,000 General Obligation Limited Tax Refunding Bonds, Series 2016A, providing for a related bond order, providing for the levy and collection of a direct annual tax for the payment of the principal of and interest on said bonds and amounts as due under said agreements, and further providing an escrow agreement to accomplish such refunding.

Whereupon the Director of Finance and Administration presented and the District's municipal advisor explained an ordinance which was before the Board of Commissioners in words and figures as follows:

AN ORDINANCE authorizing the issuance and sale of not to exceed \$51,000,000 General Obligation Limited Tax Refunding Bonds, Series 2016A, of the Lake County Forest Preserve District, Lake County, Illinois, a bond order in connection therewith, providing for the levy and collection of direct annual taxes to pay the principal of and interest on said bonds, providing for an escrow agreement to accomplish such refunding, and authorizing the sale of said bonds to the purchaser thereof.

Adopted by the Board of Commissioners
on the 14th day of June, 2016.

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and is not a part of the ordinance.)

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AN ORDINANCE authorizing the issuance and sale of not to exceed \$51,000,000 General Obligation Limited Tax Refunding Bonds, Series 2016A, of the Lake County Forest Preserve District, Lake County, Illinois, a bond order in connection therewith, providing for the levy and collection of direct annual taxes to pay the principal of and interest on said bonds, providing for an escrow agreement to accomplish such refunding, and authorizing the sale of said bonds to the purchaser thereof.

P R E A M B L E S

— WHEREAS —

A. Lake County Forest Preserve District, Lake County, Illinois (the “*District*”), is a duly organized and operating forest preserve district under the constitution and laws of the State of Illinois.

B. The District operates, *inter alia*, under the following Illinois acts and laws, in each case as amended:

1. the Downstate Forest Preserve District Act (“*Act*”) relating to operations generally;
2. the Local Government Debt Reform Act (“*Debt Reform Act*”) relating to borrowing;
3. the Bond Authorization Act (“*Bond Authorization Act*”) also relating to borrowing; and
4. the Property Tax Extension Limitation Law (the “*Limitation Law*”) relating to certain ad valorem property tax limits (collectively, such acts being “*Applicable Law*”).

C. The District is governed by a duly constituted Board of Commissioners (the “*Board*”), and the tax extension officer for the District is the County Clerk (the “*County Clerk*”) of The County of Lake, Illinois (the “*County*”).

D. The District has issued and there are now outstanding and not otherwise refunded or paid or provided for the following bonds:

1) GENERAL OBLIGATION LIMITED TAX LAND ACQUISITION BONDS, SERIES 2008A

Original Principal Amount: \$35,000,000
 Dated: May 1, 2008
 Originally Due Serially: December 15, 2009 to 2027, inclusive
 Original Term Bonds Due: None
 Amount outstanding: \$28,370,000

Such bonds and the amount eligible to be refunded are due December 15 of the years, in the amounts, and bear interest at the rates as follows:

| YEAR | AMOUNT (\$) ORIGINAL BONDS DUE | AMOUNT (\$) ELIGIBLE TO BE REFUNDED | RATE OF INTEREST (%) |
|------|--------------------------------|-------------------------------------|----------------------|
| 2016 | 1,235,000 | All | 4.000 |
| 2017 | 1,315,000 | All | 4.000 |
| 2018 | 1,395,000 | All | 4.000 |
| 2019 | 1,475,000 | All | 4.000 |
| 2020 | 1,565,000 | All | 4.000 |
| 2021 | 1,655,000 | All | 4.125 |
| 2022 | 1,745,000 | All | 4.250 |
| 2023 | 1,845,000 | All | 4.250 |
| 2024 | 1,940,000 | All | 5.000 |
| 2025 | 2,050,000 | All | 5.000 |
| 2026 | 5,940,000 | All | 5.000 |
| 2027 | 6,210,000 | All | 5.000 |

(the “*Series 2008A Bonds*”) of which Series 2008A Bonds, those due on or after December 15, 2019, are subject to redemption on June 15, 2018, and on any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

**2) GENERAL OBLIGATION LIMITED TAX LAND ACQUISITION AND DEVELOPMENT BONDS,
SERIES 2008B**

Original Principal Amount: \$27,605,000

Dated: December 15, 2008

Originally Due Serially: December 15, 2009 to 2028, inclusive

Original Term Bonds Due: None

Amount outstanding: \$21,680,000

Such bonds and the amount eligible to be refunded are due December 15 of the years, in the amounts, and bear interest at the rates as follows:

| YEAR | AMOUNT (\$) ORIGINAL BONDS DUE | AMOUNT (\$) ELIGIBLE TO BE REFUNDED | RATE OF INTEREST (%) |
|------|--------------------------------|-------------------------------------|----------------------|
| 2016 | 915,000 | All | 3.750 |
| 2017 | 945,000 | All | 4.000 |
| 2018 | 975,000 | All | 4.250 |
| 2019 | 1,015,000 | All | 4.250 |
| 2020 | 1,045,000 | All | 4.375 |
| 2021 | 1,085,000 | All | 4.500 |
| 2022 | 1,130,000 | All | 4.625 |
| 2023 | 1,175,000 | All | 4.625 |
| 2024 | 1,225,000 | All | 4.750 |
| 2025 | 1,290,000 | All | 4.750 |
| 2026 | 1,365,000 | All | 5.000 |
| 2027 | 1,460,000 | All | 5.000 |
| 2028 | 8,055,000 | All | 5.000 |

(the “*Series 2008B Bonds*”) of which Series 2008B Bonds, those due on or after December 15, 2019, are subject to redemption on June 15, 2018, and on any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

E. The Board has considered and determined that interest rates available in the bond market are currently more favorable for the District than they were at the times when the Series 2008A Bonds and the Series 2008B Bonds were issued and that it is possible, proper, and

advisable to refund all or a selected portion of the Series 2008A Bonds and the Series 2008B Bonds at this time, to take advantage of the debt service savings which will result from such lower interest rates.

F. The District is subject to the provisions of the Limitation Law, and accordingly the Series 2008A Bonds and the Series 2008B Bonds were not issued as full faith and credit bonds secured by ad valorem taxes unlimited as to rate or amount, but rather were issued as “limited bonds” pursuant to Section 15.01 of the Debt Reform Act.

G. Pursuant to the provisions of the Act and the Debt Reform Act, the District is authorized to issue, without prior referendum approval, its general obligation limited tax ad valorem tax bonds to accomplish the refunding of all or a portion of any series of outstanding bonds upon such terms as the District may set.

H. The Board does hereby determine that it is advisable and in the best interests of the District to authorize the borrowing of not to exceed \$51,000,000 at this time pursuant to Applicable Law for the purpose of paying the costs of the refunding of all or a portion of the Series 2008A Bonds and the Series 2008B Bonds and, in evidence of such borrowing, to authorize the issuance of its limited tax bonds in the aggregate principal amount of not to exceed \$51,000,000.

NOW, THEREFORE, BE IT AND IT IS HEREBY ORDAINED by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois, as follows:

Section 1. Definitions. Words and terms used in this Ordinance shall have the meanings given them, unless the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

A. The following words and terms are as defined in the preambles hereto. Other terms are defined within the body of this Ordinance.

Act

Applicable Law

Board

Bond Authorization Act

County

County Clerk

Debt Reform Act

District

Limitation Law

Series 2008A Bonds

Series 2008B Bonds

B. The following words are defined as set forth.

“Base” means the debt service extension base of the District, as authorized pursuant to the Limitation Law.

“Bond Counsel” means Chapman and Cutler LLP.

“Bond Fund” means the Bond Fund created in Section 15 of this Ordinance.

“Bond Order” means a bond order, to be executed by two Designated Officers, and setting forth certain details of the Bonds, as provided in Section 11 of this Ordinance.

“Bond Purchase Agreement” is defined as each “Official Notice of Sale” and accompanying “Official Bid Form” as prepared by the District, aided by the Municipal Advisor, upon acceptance by the District after receipt of bids at competitive offering.

“Bond Register” means the books of the District kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

“Bond Registrar” or *“Paying Agent”* means Amalgamated Bank of Chicago, Chicago, Illinois, a banking corporation duly organized and operating as a bank under the laws of the State of Illinois, duly authorized to do business as a bond registrar and paying agent, with the powers and duties as herein set forth, or a successor thereto or a successor designated as bond registrar and paying agent.

“Bonds” means the General Obligation Limited Tax Refunding Bonds, Series 2016A, authorized to be issued by this Ordinance.

“Bond Year” means a twelve-month period beginning any December 16 and ending on the following December 15.

“Book Entry Form” means the form of the Bonds as fully registered and available in physical form only to the Depository.

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

“Current Collection” means the taxes in fact paid and received by the County Collector from a given Extension within 90 days of the final delinquency date for such taxes, plus that amount, if any, received in the year preceding the 91st day following such final delinquency date for taxes as the collection of delinquent taxes from prior years allocable to the levy for Limited Bonds and general funds.

“Current Debt Service Requirement” means, for any Bond Year, the sum of the amounts due and payable in such year for all interest on and principal of the Bonds or the Refunded Bonds, as applicable.

“Dated Date” means the dated date of the Bonds, which shall be the date of delivery of the Bonds.

“Defeasance Obligations” means (a) direct and general full faith and credit obligations of the United States Treasury (*“Directs”*), (b) certificates of participation or trust receipts in trusts comprised wholly of Directs or (c) other obligations unconditionally guaranteed as to timely payment by the United States Treasury.

“Depository” means The Depository Trust Company, a limited trust company organized under the laws of the State of New York, its successors, or a successor depository qualified to clear securities under applicable state and federal laws.

“Designated Officers” means the officers of the District as follows: President of the Board (elective), Treasurer of the District (elective), Chair of the Finance and Administrative Committee (elective), Executive Director (appointive) and Director of Finance (appointive); *provided, however*, that subject to the provisions of this Ordinance, any act required of more than one of such officers shall be done by not less than one elected officer and one appointive officer; and *provided, further*, that (a) if an elective Designated Officer (i) is unwilling or unable to fulfill the duties of a Designated Officer; or (ii) after the apparent Purchaser is identified as a result of the competitive public sale proceedings for the Bonds, holds a prohibited financial interest in any contract or work related to the Bonds, such Designated Officer shall no longer be a Designated Officer and the President of the District shall appoint either the Vice-President of the District (elective), the Assistant Treasurer (elective), or the Vice-Chair of the Finance and Administrative Committee (elective) as a Designated Officer, and (b) if an appointive Designated Officer (i) is unwilling or unable to fulfill the duties of a Designated Officer; or (ii) after the apparent Purchaser is identified as a result of the competitive public sale proceedings for the Bonds, holds a prohibited financial interest in any contract or work related to the Bonds, such Designated Officer shall no longer be a Designated Officer and the Chief Operations Officer (appointive) shall serve as a Designated Officer.

“Escrow Agent” means Amalgamated Bank of Chicago, Chicago, Illinois, a banking corporation duly organized and operating as a bank under the laws of the State of Illinois, having trust powers, acting in the capacity as escrow agent hereunder, and any successor entity to such bank or a successor designated pursuant to the provisions of this Ordinance.

“Escrow Agreement” means the agreement between the District and the Escrow Agent authorized herein to effect the Refunding, under which agreement an escrow account shall be created to provide for the holding of the funds and investments for the Refunding.

“Extension” means the amount of taxes in fact extended for collection by the County Clerk based upon a levy, which extension is calculable by the sum of taxable property multiplied by the rate (in percent, mills or decimal, as appropriate) of taxation applied for such levy.

“Insurer” means an issuer of a municipal bond or financial guaranty insurance policy issued in connection with the issuance and delivery of the Bonds.

“Limited Bonds” means limited bonds issued under Section 15.01 of the Debt Reform Act.

“Loss in Current Collection” means the difference between an Extension and the Current Collection from such Extension.

“Maximum Rate” means five percent (5.00%) per annum.

“Municipal Advisor” means Speer Financial, Inc.

“Ordinance” means this Ordinance, passed by the Board on the 14th day of June, 2016.

“Outstanding Bonds” means Bonds which are outstanding and unpaid; *provided, however,* such term shall not include Bonds (i) which have matured and for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient to pay all principal thereof and interest thereon, or (ii) the provision for payment of which has been made by the District by the deposit in an irrevocable trust or escrow of funds, which may be invested in

Defeasance Obligations, the principal of and interest on which will be sufficient, with any funds left uninvested, to pay at maturity or as called for redemption all the principal of and interest on such Bonds.

“Prior Bonds” means, collectively, the Series 2008A Bonds and the Series 2008B Bonds.

“Property Taxes” means the taxes as levied to pay for the interest on and principal of the Bonds as provided in Section 13 of this Ordinance.

“Purchase Price” means the price to be paid by the Purchaser of the Bonds, to-wit, not less than 98.0% of the par value of the Bonds plus accrued interest.

“Purchaser” means the purchaser of the Bonds as shall receive an award of sale at a public competitive sale as conducted by the Municipal Advisor.

“Record Date” means the first day of the month of any regular or other interest payment date occurring on the 15th day of any month and the 15th day preceding any interest payment date occasioned by the redemption of Bonds on other than the 15th day of a month.

“Refunded Bonds” means those of the Series 2008A Bonds and Series 2008B Bonds refunded by the Bonds, as set forth in the Escrow Agreement.

“Refunding” means the refunding of all or any portion of the Prior Bonds, in whole or in part, with the proceeds of Bonds.

“Representations Letter” means such agreement or agreements by and among the District, the Bond Registrar, and the Depository as shall be necessary to effectuate a book-entry system for the Bonds, and includes the Blanket Letter of Representations, dated July 14, 1999, previously executed by the District and the Depository.

“Rule” means Rule 15c2-12 as promulgated by the Securities and Exchange Commission.

“Secretary” means the Secretary of the Board and of the District.

“*Tax-exempt*” means, with respect to the Bonds, the status of interest paid and received thereon as excludable from gross income of the owners thereof for federal income tax purposes and as not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but as taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

“*Term Bonds*” means Bonds subject to mandatory redemption by operation of the Bond Fund and designated as Term Bonds in the Bond Order.

C. Definitions also appear in the preambles hereto or in specific sections, as appear below. The headings in and the table of contents preceding this Ordinance are for the convenience of the reader and are not a part of this Ordinance.

Section 2. Incorporation of Preambles. The Board 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 3. Authorization. It is hereby found and determined that the Board has been authorized by law to borrow the sum of not to exceed \$51,000,000 upon the credit of the District and as evidence of such indebtedness to issue bonds in the aggregate principal amount of not to exceed \$51,000,000, in order to pay the costs of the Refunding. The Bonds shall be issued pursuant to Applicable Law. Because the Bonds refund the Prior Bonds, which were issued as “limited bonds” subject to the tax limitation provisions of the Limitation Law, the Bonds and the taxes to be extended for payment are also subject to the tax limitation provisions of the Limitation Law.

Section 4. Bond Details. For the purpose of providing for the payment of costs of Refunding and to pay all related costs and expenses incidental thereto, there are hereby authorized to be issued and sold Bonds in an aggregate principal amount not to exceed

\$51,000,000. The Bonds shall each be designated “*General Obligation Limited Tax Refunding Bond, Series 2016A*”. The Bonds shall be in fully registered form and also in Book Entry Form. The Bonds shall be dated as of the Dated Date; each Bond shall also bear its respective date of authentication; and the Bonds shall be numbered consecutively in such reasonable manner as the Bond Registrar shall determine. The Bonds shall become due or subject to mandatory redemption on December 15 of the years 2016 through 2028, in the amounts for such years as shall be set forth in the applicable Bond Order (which may include a zero amount); *provided, however,* that the Current Debt Service Requirement in each year for the Bonds shall not exceed that of the Refunded Bonds refunded with the proceeds of the Bonds in such year. The Bonds shall bear interest at the rate of not greater than the Maximum Rate. The Bonds shall be in denominations of \$5,000 or integral multiples thereof (but no single such bond shall represent principal maturing on more than one date). Each Bond shall bear interest from the later of its Dated Date or from the most recent interest payment date to which interest has been paid or duly provided for, semiannually on June 15 and December 15 in each year, commencing not earlier than December 15, 2016, and not later than June 15, 2017, as shall be set forth in the applicable Bond Order, and at the respective rates percent per annum provided, until the principal thereof shall be paid or duly provided for. Interest on each Bond shall be paid to the Depository by check or draft or electronic funds transfer, in lawful money of the United States of America, as may be agreed by the Secretary or Treasurer of the District, the Bond Registrar, and the Depository. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The principal of the Bonds shall be payable upon presentation at the office designated for such purpose of the Bond Registrar. The Bonds may be Term Bonds as provided by the applicable Bond Order.

Section 5. Book Entry Form. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the Maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of the Depository or in such name as may be provided by the Depository (the “*Book Entry Owner*”). The Secretary or the Treasurer is authorized to execute a Representations Letter or to utilize the provisions of an existing Representations Letter with respect to such Bonds. Without limiting the generality of the authority given with respect to entering into the Representations Letter for the Bonds, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interests therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices. With respect to Bonds registered in the Bond Register in the name of the Book Entry Owner, neither the District nor the Bond Registrar shall have any responsibility or obligation to any broker-dealer, bank, or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank, or other financial institution being referred to herein as a “*Depository Participant*”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, neither the District nor the Bond Registrar shall have any responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Book Entry Owner, or any Depository Participant with respect to any ownership interest in the Bonds; (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register or as expressly provided in the Representations Letter, of any notice with respect to the Bonds, including any notice of redemption; or (c) the payment to any Depository 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 principal of or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. In the event that (a) the District determines that the Depository is incapable of discharging its responsibilities described herein or in the Representations Letter, (b) the agreement among the District and the Depository evidenced by the Representations Letter shall be terminated for any reason, or (c) the District determines that it is in the best interests of the District or of the beneficial owners of the Bonds that they be able to obtain certificated Bonds; the District shall notify the Depository of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register to the Book Entry Owner. The District may determine at such time that the Bonds shall be registered in the name of and deposited with a successor depository operating a book entry only system, as may be acceptable to the District, or such depository's agent or designee, but if the District does not select such successor depository, then the Bonds shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

Section 6. Execution; Authentication. The Bonds shall be signed by the manual or duly authorized facsimile signatures of the President and Secretary of the District as they may determine, and shall be registered, numbered, and countersigned by the manual or duly authorized facsimile signature of the Treasurer, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the District. In case any such 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 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 it if signed by an authorized signatory of the Bond Registrar, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder.

Section 7. Redemption.

A. Optional Redemption. If so provided in the applicable Bond Order, any Bonds may be subject to redemption prior to maturity at the option of the District, in whole or in part on any date, at such times and at such optional redemption prices as shall be determined by the Designated Officers in the Bond Order. Such optional redemption prices shall be expressed as a percentage of the principal amount of Bonds to be redeemed, *provided* that such percentage shall not exceed one hundred three percent (103.00%), plus accrued interest to the date of redemption. If less than all of the Outstanding Bonds are to be optionally redeemed, the Bonds to be redeemed shall be from such maturities and in such principal amounts as shall be determined by the District. As provided in the applicable Bond Order, some portion or all of the Bonds may be made not subject to optional redemption.

B. Term Bonds; Mandatory Redemption and Covenants; Effect of Purchase or Optional Redemption of Term Bonds. The Bonds may be subject to mandatory redemption (as Term Bonds) as provided in a Bond Order. Bonds designated as Term Bonds shall be made subject to mandatory redemption by operation of the Bond Fund at a price of not to exceed par

and accrued interest, without premium, on December 15 of the years and in the amounts as shall be determined in the Bond Order. The District covenants that it will redeem Term Bonds pursuant to the mandatory redemption requirement for such Term Bonds. Proper provision for mandatory redemption having been made, the District covenants that the Term Bonds so selected for redemption shall be payable as at maturity, and taxes shall be levied and collected as provided herein accordingly. If the District redeems pursuant to optional redemption as may be provided or purchases Term Bonds of any maturity and cancels the same from Bond Moneys as hereinafter described, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the mandatory redemption requirements provided for Term Bonds of such maturity, first, in the current year of such requirement, until the requirement for the current year has been fully met, and then in any order of such Term Bonds as due at maturity or subject to mandatory redemption in any year, as the District shall determine. If the District redeems pursuant to optional redemption as may be provided or purchases Term Bonds of any maturity and cancels the same from moneys other than Bond Moneys, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the amount of such Term Bonds as due at maturity or subject to mandatory redemption requirement in any year, as the District shall determine.

Section 8. Redemption Procedures. The Bonds subject to redemption shall be identified, notice given, and paid and redeemed pursuant to the procedures as follows.

A. No Further Action for a Mandatory Redemption. For a mandatory redemption, the Bond Registrar shall proceed to redeem Bonds without any further order or direction from the District whatsoever.

B. Optional Redemption. For an optional redemption, the District shall, at least 45 days prior to a redemption date (unless a shorter time period shall be satisfactory

to the Bond Registrar), notify the Bond Registrar of such redemption date and of the series and maturities (and, if applicable, the scheduled mandatory redemptions affected) and principal amounts of Bonds to be redeemed.

C. Selection of Bonds within a Maturity. For purposes of any redemption of less than all of the Bonds, of a single series and maturity which by the terms of such Bonds are subject to redemption within a maturity by lot, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar for the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall make such selection prior to or upon the time of the giving of official notice of redemption or, in the event of a refunding or defeasance of Bonds, at such earlier time as being advised by the District that funds have been set aside to defease such Bonds in accordance with the defeasance provisions of this Ordinance.

D. Official Notice of Redemption. The Bond Registrar shall promptly notify the District in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed. Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the District by mailing the redemption notice by first class U.S. mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond

Registrar. All official notices of redemption shall include the name of the Bonds and at least the information as follows:

- (1) the redemption date;
- (2) the redemption price;
- (3) if less than all of the outstanding Bonds of a particular series and maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed;
- (4) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office designated for such purpose of the Bond Registrar.

E. Conditional Redemption. A notice of redemption may, at the option of the District, state that said redemption shall be conditional upon the receipt of moneys sufficient to pay the redemption price of the Bonds to be redeemed by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed.

F. Bonds Shall Become Due. Official notice of redemption having been given as described, the Bonds or portions of Bonds so to be redeemed shall, subject to the stated condition in the paragraph (E) immediately preceding, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price), such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due.

G. Insufficiency in Notice Not Affecting Other Bonds; Failure to Receive Notice; Waiver. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. *In lieu of the foregoing official notice*, so long as the Bonds are held in Book Entry Form, notice may be given as provided in the Representations Letter, and the giving of such notice shall constitute a waiver by the Depository and the Book Entry Owner, as registered owner, of the foregoing notice.

H. New Bond in Amount Not Redeemed. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like series and tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

I. Effect of Nonpayment upon Redemption. If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption.

J. Bonds to Be Cancelled; Payment to Identify Bonds. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

K. Additional Notice. The District agrees to provide such additional notice of redemption as it may deem advisable at such time as it determines to redeem Bonds, taking into account any requirements or guidance of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the Government Accounting Standards Board, or any other federal or state agency having jurisdiction or authority in such matters; *provided, however,* that such additional notice shall be (a) advisory in nature, (b) solely in the discretion of the District, (c) not be a condition precedent of a valid redemption or a part of the Bond contract, and (d) any failure or defect in such notice shall not delay or invalidate the redemption of Bonds for which proper official notice shall have been given. Reference is also made to the provisions of the Continuing

Disclosure Undertaking of the District with respect to the Bonds, which may contain other provisions relating to notice of redemption of Bonds.

L. Bond Registrar to Advise District. As part of its duties hereunder, the Bond Registrar shall prepare and forward to the District a statement as to notices given with respect to each redemption together with copies of the notices as mailed.

Section 9. Registration of Bonds; Persons Treated as Owners. The District shall cause books (the “*Bond Register*”) for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the office designated for such purpose 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 or such other agent as the District may designate shall keep custody of, multiple Bond blanks executed by the District for use in the transfer and exchange of Bonds. Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the office designated for such purpose of the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner 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 or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount. The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date or during the period of 15 days preceding the giving of notice of redemption of Bonds or to transfer or

exchange any Bond all or a portion of which has been called for redemption. 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 Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid. 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 (her) legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. No service charge shall be made to any registered owner of Bonds for any transfer or exchange of Bonds, but the District or the Paying Agent 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.

Section 10. Form of Bond. The Bonds shall be in substantially the form hereinafter set forth; *provided, however*, that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then the second paragraph of the front side of the Bond and the legend “See Reverse Side for Additional Provisions” shall be omitted and paragraphs on the reverse side of the Bond shall be inserted immediately after the first paragraph on the front side.

[Form of Bond - Front Side]

REGISTERED
NO. _____

REGISTERED
\$ _____

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
THE COUNTY OF LAKE
LAKE COUNTY FOREST PRESERVE DISTRICT**

**GENERAL OBLIGATION LIMITED TAX REFUNDING BOND
SERIES 2016A**

See Reverse Side for
Additional Provisions

Interest Maturity Dated
Rate: ____% Date: December 15, _____ Date: _____, 2016 CUSIP: 508354 ____

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the Lake County Forest Preserve District, Lake 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 (subject to right of prior redemption), 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 Dated Date identified above or from the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum identified above, on June 15 and December 15 of each year, commencing _____ 15, 20__, and until said Principal Amount is paid or duly provided for, except as the hereinafter stated provisions for redemption prior to maturity may be and become applicable hereto. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the office designated for such purpose of Amalgamated Bank of Chicago, located in the City of Chicago, Illinois, or successor, as paying agent and bond

registrar (the “*Bond Registrar*”). Payment of interest shall be made in lawful money of the United States of America 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 Record Date for each interest payment date and shall be paid by funds transfer as agreed by the District and The Depository Trust Company, its nominee, or successor, as provided for same.

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.

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 a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

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.

IN WITNESS WHEREOF the Lake County Forest Preserve District, Lake County, Illinois, by its Board of Commissioners, has caused this Bond to be signed by the manual or duly authorized facsimile signatures of the President and Secretary of the District, and to be registered, numbered, and countersigned by the manual or duly authorized facsimile signature of the Treasurer of the District, and the seal of the District or facsimile thereof to be affixed thereunto, all as appearing hereon and as of the Dated Date as identified above.

President, Board of Commissioners

Secretary, Board of Commissioners

Registered, Numbered and Countersigned:

Treasurer

Date of Authentication: _____, 2016

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar and Paying Agent:

AMALGAMATED BANK OF CHICAGO

with payment and registration offices
located in Chicago, Illinois

This Bond is one of the Bonds described in the within mentioned Ordinance and is one of the General Obligation Limited Tax Refunding Bonds, Series 2016A, of the Lake County Forest Preserve District, Lake County, Illinois.

AMALGAMATED BANK OF CHICAGO
as Bond Registrar

By _____
Authorized Officer

[Form of Bond - Reverse Side]

**LAKE COUNTY FOREST PRESERVE DISTRICT
LAKE COUNTY, ILLINOIS**

**GENERAL OBLIGATION LIMITED TAX REFUNDING BOND
SERIES 2016A**

This Bond is one of a series of bonds issued by the District to pay for the refunding of certain previously issued and outstanding general obligation bonds of the District, all as authorized pursuant to the provisions of Illinois law, including, specifically, the Downstate Forest Preserve District Act, as amended, and the Local Government Debt Reform Act, as amended;

and, further, as authorized by the Board of Commissioners of the District by an ordinance duly and properly adopted on the 14th day of June, 2016, in all respects as provided by law (as supplemented by the Bond Order authorized therein and executed in connection with the sale of the Bonds, the “*Ordinance*”).

This Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Ordinance.

The Bonds due on or after December 15, 20__, are subject to redemption prior to maturity at the option of the District, from any available funds, in whole or in part on any date on or after December 15, 20__, and, if in part, in any order of maturity as shall be selected by the District, and, if less than an entire maturity, in integral multiples of \$5,000, selected by lot by the Bond Registrar, at the redemption price of par plus accrued interest to the date fixed for redemption.

[Term bond provisions, as applicable.]

The District and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered in the Bond Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of or on account of the principal of or interest thereon and for all other purposes whatsoever; all such payments so made to any such Registered Owner or upon such Owner’s order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid; 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:

Here insert identification number, such as Employer ID, SSN.

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

as 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 11. Sale of Bonds; Certain Conditions of Sale. Any two of the Designated Officers (at least one of whom shall be elective) are hereby authorized to proceed, without any further official authorization or direction whatsoever from the Board, to sell and deliver Bonds. The Designated Officers shall be and are hereby authorized and directed to sell the Bonds to the Purchaser at an authorized Purchase Price, *provided, however,* that in connection with the Bonds as described below, the following related conditions shall be met:

A. The Bonds shall be sold at public competitive sale.

B. With respect to the Bonds, the Municipal Advisor shall provide advice (in the form of a written certificate or report) that the terms of the Bonds are fair and reasonable in light of current conditions in the market for Tax-exempt obligations such as the Bonds.

C. With respect to the Bonds, the net present value savings derived from the Refunding, as stated (in the form of a written certificate or report by the Municipal Advisor), shall not be less than 3.0% of the principal amount of the Prior Bonds in fact so refunded.

Nothing in this Section shall require the Designated Officers to sell the Bonds if in their judgment, aided by the Municipal Advisor, the conditions in the bond markets shall have markedly deteriorated from the time of adoption hereof, but the Designated Officers shall have the authority to sell the Bonds in any event so long as the limitations set forth in this Ordinance shall have been met. Upon the sale of the Bonds, the Designated Officers and any other officers or employees of the District as shall be appropriate shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, a Bond Order, Preliminary Official Statement, Official Statement, Bond Purchase Agreement (as herein defined), Escrow Agreement, and other closing

documents; further, such certifications, tax returns, and documentation as may be advised by Bond Counsel as appropriate to establish and maintain the Tax-exempt status of the interest on the Bonds pursuant to the Code. The preparation by the Designated Officers, other staff of the District, and the Municipal Advisor, and distribution of a Preliminary Official Statement relating to the Bonds is hereby in all respects authorized and approved, and the proposed use by the Purchaser of an Official Statement (in substantially the form of the Preliminary Official Statement but with appropriate variations to reflect the final terms of the Bonds) is also hereby authorized and approved. Any one of the Designated Officers charged with sale of the Bonds shall execute the Bond Purchase Agreement. Upon the sale of the Bonds, the Designated Officers so acting shall prepare or cause to be prepared the Bond Order for same, which document shall be in form and substance substantially as the District has previously within the past six years authorized and delivered in connection with the sale of its bonds, as on file in the books and records of the District, which shall include the pertinent details of sale as provided herein, and such shall be entered into the records of the District and made available to the Board at a regular public meeting thereof. *The authority to sell the Bonds pursuant to the Bond Order as herein provided shall expire on December 14, 2016.*

Section 12. Security for the Bonds and Certain Covenants and Reservations.

A. The Bonds are Limited Bonds. The Bonds are payable out of the Current Collection of the Property Taxes; and, in the event the Current Collection shall be insufficient to pay the interest on and the principal of the Bonds when due, the Bonds are payable as a general obligation of the District from the General Funds. In the event General Funds are used, the General Funds shall be reimbursed from the amounts eventually received and attributable to the Loss in Current Collection related to such insufficiency, if any.

B. The District represents that the sum of

- (1) the Property Taxes
- (2) the levies for all prior Limited Bonds and
- (3) the levies for all nonreferendum bonds payable from the Base previously

issued,

does not exceed the Base for any year.

C. The District covenants that the sum of

- (1) the Property Taxes
- (2) the levies for all prior Limited Bonds
- (3) the levies for all future Limited Bonds and
- (4) the levies for all nonreferendum bonds payable from the Base previously

issued or to be issued shall not exceed the Base for any year.

D. The Property Taxes are pledged and available solely for the Bonds. The Extension of the Property Taxes in any year may be limited to 100% of the Property Taxes (*i.e.*, the levy) for such year with the result that there may be a deficiency in the amount of the Current Collection from the taxes (equal to the Loss in Current Collection), which deficiency shall be satisfied from General Funds.

E. Future Limited Bonds may have aggregate debt service requirements (*i.e.*, interest and principal payment requirements) which will not be met by the levy of taxes available under the Base and, consequently, must be met from General Funds; and the District reserves the right to issue such bonds, but the issuance shall not cause the reduction of the Extension for the Property Taxes to an amount less than 100% of the levy constituting the Property Taxes.

Section 13. Tax Levy. In order to provide for the collection of direct annual taxes to pay and discharge the principal of and interest on the Bonds as the same become due, there is hereby

levied upon all the taxable property within the District, direct annual taxes (the “*Property Taxes*”) in the specific amounts and for the levy years as set forth in the Bond Order for the Bonds, provided, however, that the amount of said levies for the Property Taxes shall not exceed the amount of the levies for each corresponding Bond Year for the Refunded Bonds. The Property Taxes will be reduced upon sale of the Bonds and determination of the actual aggregate amounts of principal of and interest on the Bonds due in each year, as set forth in the Bond Order. The Secretary is hereby expressly authorized and directed to file the Bond Order with the County Clerk upon the sale of the Bonds, and the Bond Order shall reflect the final Property Taxes to be levied for the Bonds in such specific amounts and for such years as shall be necessary. The Property Taxes and other moneys on deposit (collectively, the “*Bond Moneys*”) in the Bond Fund shall be applied to pay principal of and interest on the Bonds as follows:

A. Bond Moneys shall be applied to the payment of interest when due and principal or redemption price when due at maturity or as redeemed pursuant to mandatory redemption from the Bond Fund; or

B. On or before 65 days preceding a mandatory redemption date, and provided notice is given to the Bond Registrar on or before said 65th day preceding a mandatory redemption date, Bond Moneys up to the amount of the redemption requirement on such mandatory redemption date plus interest due on Term Bonds on such date may be applied (1) to the purchase of Term Bonds of the maturity for which such mandatory redemption requirement was established at prices (including commissions and charges, if any) not exceeding par and accrued interest to such mandatory redemption date or (2) to the redemption of such Bonds, without premium, pursuant to optional redemption provisions applicable thereto. Upon the purchase or redemption of Term Bonds of any maturity pursuant to this paragraph (B), an amount equal to the principal amount of such Bonds or

applicable portion thereof so purchased or redeemed shall be deducted from the mandatory redemption requirement as provided for Term Bonds of such maturity, first, in the current year of such requirement, until the requirement for the current year has been fully met, and then in any order of payment on the Term Bonds as due at maturity or subject to mandatory redemption in any year as the District shall at such time determine.

Principal of or interest on any Bond coming due at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the District, and the fund or funds from which such payment were made shall be reimbursed out of the Property Taxes when the same shall have been collected. The District covenants and agrees with the Purchaser and the registered owners from time to time 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 levy and collect the Property Taxes; and the District and its officers will comply with all present and future applicable laws in order to assure that the Property Taxes will be levied, extended, and collected as provided herein and deposited in the Bond Fund.

Section 14. Filing of Ordinance. Upon the passage of this Ordinance and execution and delivery of the Bond Order, the Secretary is hereby directed to file a certified copy of this Ordinance (along with the Bond Order) with the County Clerk, and it shall be the duty of the County Clerk annually in and for the years provided, as may be specified in the Bond Order, to ascertain the rate necessary to produce the Taxes, and extend the same for collection on the tax books against all of the taxable property within the District in connection with other taxes levied in each of said years for District purposes, in order to raise the respective amounts of the Property Taxes; and in each year such annual taxes shall be computed, extended, and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of

taxes for general District purposes. When collected, the Property Taxes shall be placed to the credit of the Bond Fund.

Section 15. Use of Bond Proceeds; Creation of Funds, Escrow Agreement.

A. There is hereby created the “*Limited Tax Refunding Bond and Interest Sinking Fund Account of 2016A*” (the “*Bond Fund*”), which shall be the fund for the deposit and disbursement of Bond Fund Moneys. Except as may be necessary to accomplish the Refunding, accrued interest (if any) received at delivery of the Bonds shall be deposited into the Bond Fund therefor and applied to pay first interest coming due on the Bonds.

B. The Property Taxes shall either be deposited into the Bond Fund and used solely and only for paying the principal of and interest on the Bonds or for the reimbursement to such funds or accounts from which advances to the Bond Fund may have been made for such purposes prior to receipt of Property Taxes. Interest income or investment profit earned in the Bond Fund shall be retained in the Bond Fund for payment of amounts payable therefrom on the payment date next after such interest or profit is received or, to the extent lawful and as determined by the Board of Commissioners, transferred to such other fund as may be determined. The District hereby pledges, as equal and ratable security for the Bonds, all present and future proceeds of the Property Taxes for the sole benefit of the registered owners of the Bonds, subject to the reserved right of the Board to transfer certain interest income or investment profit earned in the Bond Fund to other funds of the District, as described in the preceding sentence.

C. The amount necessary to pay costs of issuance of the Bonds shall to the fullest extent possible be paid by the Purchaser or the Escrow Agent from Bond proceeds at closing or (if and only if necessary) held by the Treasurer for such payment in an appropriate account. Such payments by the Purchaser or any disbursements from such account shall be made from time to

time as necessary. Any excess in said account shall be deposited into the Bond Fund within after six months from the date of issuance of the Bonds.

D. The sum necessary, together with such money in the debt service funds for the Prior Bonds as may be advisable for the purpose, shall be used to provide for the Refunding, and the payment of such other expenses as may be designated, pursuant to the provisions of an Escrow Agreement with the Escrow Agent as is designated, all in accordance with the provisions of an Escrow Agreement, which document shall be in form and substance substantially as the District has previously within the past six years authorized and delivered in connection with the refunding of its bonds, as on file in the books and records of the District, hereby approved; the officers appearing signatory to such Escrow Agreement are hereby authorized and directed to execute same, their execution to constitute conclusive proof of action in accordance with this Ordinance, and approval of all completions or revisions necessary or appropriate to effect the Refunding.

E. The remaining proceeds of the Bonds, if any, shall be deposited into the Bond Fund.

Section 16. General Tax Covenants. 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 (“*Proceeds*”) 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 Code or would otherwise cause the interest on the Bonds to be includible 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 of the exemption from Federal income taxation for interest paid on the Bonds, under present rules, the District may be treated as the “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any

inquiries from the Internal Revenue Service in connection with such an examination. In furtherance of the foregoing provisions, but without limiting their generality, the District agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants, and assurances contained in certificates or agreements as may be prepared by counsel approving the Bonds; (c) to consult with such counsel; (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 its officers, to employ and pay fiscal agents, financial advisors, municipal advisors, attorneys, and other persons to assist the District in such compliance.

Section 17. Certain Specific Tax Covenants.

A. None of the Bonds shall be a “private activity bond” as defined in Section 141(a) of the Code; and the District certifies, represents, and covenants as follows:

(1) Not more than 5% of the net Proceeds of the Bonds is to be used, and not more than 5% of the net proceeds of either series of the Prior Bonds were used, directly or indirectly, in any trade or business carried on by any person other than a state or local governmental unit.

(2) Not more than 5% of the amounts necessary to pay the principal of and interest on the Bonds will be derived, directly or indirectly, from payments with respect to any private business use by any person other than a state or local governmental unit.

(3) None of the Proceeds of the Bonds is to be used, and none of the proceeds of the Prior Bonds were used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(4) Other than as may have been or be permitted under paragraph (1) above (relating to 5% use), no user of the land or improvements to land of the District acquired

or made with any Proceeds of the Bonds, other than the District or another governmental unit, will use the same on any basis other than the same basis as the general public; and no person, other than the District or another governmental unit, will be a user of such land or improvements as a result of (i) ownership or (ii) actual or beneficial use pursuant to a lease, a management or incentive payment contract other than as expressly permitted by the Code, or (iii) any other arrangement.

B. The Bonds shall not be “arbitrage bonds” under Section 148 of the Code; and the District certifies, represents, and covenants as follows:

(1) Except for the Bond Fund, the District has not created or established and will not create or establish any sinking fund reserve fund or any other similar fund to provide for the payment of the Bonds. The Bond Fund has been established and will be funded in a manner primarily to achieve a proper matching of revenues and debt service and will be depleted at least annually to an amount not in excess of 1/12th the particular annual debt service on the Bonds. Money deposited into the Bond Fund will be spent within a 13-month period beginning on the date of deposit, and investment earnings in the Bond Fund will be spent or withdrawn from the Bond Fund within a one-year period beginning on the date of receipt.

(2) Amounts of money related to the Bonds required to be invested at a yield not materially higher than the yield on the Bonds, as determined pursuant to such tax certifications or agreements as the District officers may make in connection with the issuance of the Bonds, shall be so invested; and appropriate District officers are hereby authorized to make such investments.

(3) Unless an applicable exception to Section 148(f) of the Code, relating to the rebate of “excess arbitrage profits” to the United States Treasury (the “*Rebate Requirement*”) is available to the District, the District will meet the Rebate Requirement.

(4) Interest earnings in the Bond Fund or otherwise derived from Proceeds (except Proceeds held under the Escrow Agreement) are hereby authorized to be transferred, without further order or direction from the Board, from time to time as required, to meet the Rebate Requirement, but only if necessary after application of investment earnings as aforesaid and only as appropriated by the Board.

C. None of the Proceeds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the District prior to the date hereof. This Ordinance is in itself a declaration of official intent under Treasury Regulations Section 1.103-18 as to all costs of the Refunding paid after the date hereof and prior to issuance of the Bonds.

D. The District reserves the right to use or invest moneys in connection with the Bonds in any manner or to use the District land or improvements acquired, constructed, or made with any Proceeds or any proceeds of the Prior Bonds, notwithstanding the representations and covenants relating to the Tax-exempt status of the Bonds in Sections 16 and 17 herein, *provided* it shall first have received an opinion from Bond Counsel or other attorney or a firm of attorneys whose opinions are generally acceptable to the purchasers of Tax-exempt bonds to the effect that use or investment of such moneys or the changes in or use of such land or improvements as contemplated are proper under applicable law and will not result in loss or impairment of Tax-exempt status for the Bonds.

Section 18. Pertaining to the Bond Registrar. If requested by the Bond Registrar, any of the Designated Officers are authorized to execute such standard form of agreement between the District and the Bond Registrar with respect to the obligations and duties hereunder. Subject

to modification by such agreement, the Bond Registrar accepts the duties listed as follows: (a) as applicable, to act as bond registrar, authenticating agent, paying agent, and transfer agent as provided herein; (b) to maintain a list of registered owners as set forth herein and to furnish such list to the District upon request, but otherwise to keep such list confidential except as otherwise may be required by law; (c) to cancel and/or destroy Bonds which have been paid at maturity, upon redemption 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. The District covenants that it shall at all times retain a Bond Registrar with respect to the Bonds, that it will maintain at the designated office(s) of such Bond Registrar a place or places where Bonds may be presented for payment or registration of transfer or exchange, and that it shall require that the Bond Registrar properly maintain the Bond Register and perform the other duties and obligations imposed upon it by this Ordinance in a manner consistent with the standards, customs and practices of the municipal securities industry. The Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing the certificate of authentication on any Bond, and by such execution the Bond Registrar shall be deemed to have certified to the District that it has all requisite power to accept and has accepted such duties and obligations not only with respect to the Bond so authenticated but with respect to all the Bonds. The Bond Registrar is the agent of the District and shall not be liable in connection with the performance of its duties except for its own negligence, willful wrongdoing, acts, or omissions. The Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on the Bonds. The District may remove the Bond Registrar at any time. In case at any time the Bond Registrar shall resign, shall be removed, shall become incapable of acting, or shall be adjudged a bankrupt or insolvent,

or if a receiver, liquidator, or conservator of the Bond Registrar or of the property thereof shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or of the property or affairs thereof, the District covenants and agrees that it will thereupon appoint a successor Bond Registrar. The District shall mail notice of any such appointment made by it to each registered owner of any Bond within twenty days after such appointment. Any Bond Registrar appointed under the provisions of this Section shall be a bank, trust company, or national banking association authorized to do trust business in Illinois and having capital, surplus, and undivided profit in excess of \$100,000,000.

Section 19. Insurance. The Designated Officers as part of a Bond Order or any related document of sale or delivery of the Bonds are hereby expressly authorized to sell the Bonds subject to the provisions of a municipal bond or financial guaranty insurance policy issued by an Insurer (the “*Policy*”). In such event, so long as such Policy shall be in full force and effect, the District and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Insurer when holding Bonds, amendment hereof, or other terms, as approved by any one or more of the Designated Officers, his, her or their approval to constitute full and complete acceptance by the District of such terms and provisions under authority of this Section.

Section 20. Continuing Disclosure Undertaking. Any of the Designated Officers is hereby authorized to execute and deliver the Continuing Disclosure Undertaking, which document shall be in form and substance substantially as the District has previously within the past three years authorized and delivered in connection with the sale of its bonds, as on file in the books and records of the District, to effect compliance with the Rule. When such Continuing Disclosure Undertaking is executed and delivered on behalf of the District, it will be binding on the District and the officers, agents, and employees of the District, and the same are hereby

authorized 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 such Continuing Disclosure Undertaking as executed and delivered. Notwithstanding any other provisions hereof, the sole remedies for failure to comply with such 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 thereunder.

Section 21. Taxes Previously Levied. The taxes previously levied to pay principal of and interest on the Refunded Bonds, to the extent such principal and interest is provided for from the proceeds of the Bonds or from other funds shall be abated. The filing of a certificate of abatement with the County Clerk shall constitute authority and direction for the County Clerk to make such abatement. Taxes previously levied which are either on hand or cannot be abated (already in the process of extension) shall be deposited into the Bond Fund and used to pay the Bonds.

Section 22. Defeasance. Any Bond or Bonds which are no longer Outstanding Bonds as defined shall cease to have any lien on or right to receive or be paid from the taxes levied hereunder and shall no longer have the benefits of any covenant for the registered owners of outstanding Bonds as set forth herein as such relates to lien and security of the outstanding Bonds. All covenants relative to the Tax-exempt status of such Bond or Bonds and payment, registration, transfer, and exchange are expressly continued for all Bonds whether outstanding Bonds or not.

Section 23. 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 24. Superseder. All ordinances, procedural rules, or parts thereof in conflict herewith be and the same are hereby superseded and waived for purposes of this Ordinance; and this Ordinance shall be in full force and effect forthwith upon its adoption.

Adopted on the 14th day of June, 2016.

WITNESS:

President, Board of Commissioners

Secretary, Board of Commissioners

Commissioner _____ moved and Commissioner _____
seconded the motion that said ordinance as presented be adopted.

After a full discussion thereof, in the presence of a quorum at all times, including a public reading of the title of the ordinance and statements (1) that the ordinance provided for the issuance of general obligation limited tax refunding bonds for the purpose of paying the costs of refunding certain outstanding general obligation limited tax bonds, (2) that the bonds are issuable without referendum pursuant to general law and powers of the District, (3) that the ordinance provides for the levy of taxes to pay the bonds and amounts which may come due under such agreements, and (4) that the ordinance provides many details for the bonds, including tax-exempt status covenants, provision for terms and form of the bonds and appropriations, 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 Commissioners voted

AYE: _____

NAY: _____

Whereupon the President declared the motion carried and said ordinance adopted and approved in open meeting and signed the same and directed the Secretary to record the same in the records of the Board of Commissioners of Lake County Forest Preserve District, Lake County, Illinois, which was done.

* * *

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

Secretary

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

CERTIFICATION OF AGENDA, MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Commissioners (the “*Board*”) of the Lake County Forest Preserve District, Lake County, Illinois (the “*District*”), and as such official I am the keeper of the records and files of the Board and of the District.

I do further certify that the foregoing constitutes a full, true, and complete transcript of the minutes of the meeting of the Board held on the 14th day of June, 2016 (the “*Meeting*”), insofar as same relates to the adoption of an ordinance entitled:

AN ORDINANCE authorizing the issuance and sale of not to exceed \$51,000,000 General Obligation Limited Tax Refunding Bonds, Series 2016A, of the Lake County Forest Preserve District, Lake County, Illinois, a bond order in connection therewith, providing for the levy and collection of direct annual taxes to pay the principal of and interest on said bonds, providing for an escrow agreement to accomplish such refunding, and authorizing the sale of said bonds to the purchaser thereof.

(the “*Ordinance*”) a true, correct, and complete copy of which Ordinance as adopted appears in the foregoing transcript of the minutes of the Meeting.

I do further certify that the deliberations of the Board on the adoption of the Ordinance were conducted openly; that the vote on the adoption of the Ordinance was taken openly; that the Meeting was called and held at a specified time and place convenient to the public; that notice of the Meeting was duly given to all of the news media requesting such notice; that an agenda (the “*Agenda*”) for the Meeting was posted at least 96 hours in advance of holding the Meeting and also not later than 5:00 p.m. on the Friday preceding the Meeting at the location where the meeting was held and at the principal office of the District and remained continuously so posted

until not earlier than the adjournment of the Meeting; that the Agenda contained a separate and specific item relating to the consideration of the Ordinance for passage and that the Agenda set forth the general subject matter of the Ordinance; that a true, correct, and complete copy of the Agenda is attached to this Certificate; that the Meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Downstate Forest Preserve District Act of the State of Illinois, as amended; and that the Board has complied with all of the provisions of law and with all of the procedural rules of the Board in the conduct of the Meeting and the adoption of the Ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the official seal of the District this 14th day of June, 2016.

Secretary, Board of Commissioners

[Attach Agenda, Minutes and Ordinance.]

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Lake, Illinois, and as such official I do further certify that on the ____ day of _____, 2016, there was filed in my office a duly certified copy of an ordinance entitled:

AN ORDINANCE authorizing the issuance and sale of not to exceed \$51,000,000 General Obligation Limited Tax Refunding Bonds, Series 2016A, of the Lake County Forest Preserve District, Lake County, Illinois, a bond order in connection therewith, providing for the levy and collection of direct annual taxes to pay the principal of and interest on said bonds, providing for an escrow agreement to accomplish such refunding, and authorizing the sale of said bonds to the purchaser thereof.

duly adopted by the Board of Commissioners of Lake County Forest Preserve District, Lake County, Illinois, on the 14th day of June, 2016, and that the same has been deposited in (and all as appearing from) the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County this ____ day of _____, 2016.

County Clerk of
The County of Lake, Illinois

[SEAL]