

BOND ANTICIPATION NOTES UNDER LINE OF CREDIT 2015

ORDINANCE NUMBER 8A15-2216-0114

AN ORDINANCE authorizing the issuance of bond anticipation notes of the Chicago Park District in an amount not to exceed \$40,000,000 under a line of credit for the purpose of paying and reimbursing a part of the cost of building, maintaining, and improving parks, and the execution of a line of credit agreement and other documents in connection therewith.

Adopted by the Board of
Commissioners on the
11th day of February 2015

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BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO PARK DISTRICT, AS FOLLOWS:

Section 1. Definitions.

A. Words and terms used in this Ordinance shall have the meanings assigned 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.

“*Act*” means the Chicago Park District Act, 70 Illinois Compiled Statutes 1505, as amended.

“*Applicable Law*” means the Act, the Debt Reform Act, and other applicable Illinois law supplementary thereto.

“*Board*” means the Board of Commissioners of the Chicago Park District.

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

“*Counties*” means The County of Cook, Illinois and The County of DuPage, Illinois.

“*Credit Agreement*” means the Line of Credit Agreement with PNC Bank, National Association in substantially the form attached to this Ordinance.

“*Debt Reform Act*” means the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, as amended.

“Designated Officers” means any two of the following four officers of the District, acting in concert: the General Superintendent & CEO, the Chief Financial Officer, the Treasurer, and any Commissioner; and in the event any of such first three offices is then vacant, the acting or interim officer or officers in such positions.

“District” means The Chicago Park District, located in Cook and DuPage Counties, Illinois.

“General Funds” means any and all funds of the District, other than any of the funds in the District’s existing accounts (“Bond Accounts”) transferred to various bond trustees to pay debt service on the District’s outstanding bonds, from which payments may lawfully be made to pay principal of and interest on the Notes.

“Lender” means PNC Bank, National Association.

“Line of Credit” means the line of credit with a maturity of not less than one (1) year and which may be extended for not more than (1) additional year by mutual agreement of the Lender and the District. .

“Municipal Advisor” means Speer Financial, Inc.

“Notes” means the taxable or Tax-Exempt bond anticipation notes authorized to be issued by the District under this Ordinance.

“Noteholder” means PNC Bank, National Association.

“Ordinance” means this ordinance, numbered as shown on the title page hereof, and adopted by the Board on the 11th day of February 2015.

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

“Special Tax Counsel” means Katten Muchin Rosenman LLP.

“Tax-exempt” means, with respect to the Notes, the status of interest paid and received thereon as excludable from the gross income of the owners thereof under the

Code for federal income tax purposes, except to the extent that such interest will be taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations.

“*Treasurer*” means the Treasurer or the duly appointed Acting Treasurer of the District.

B. The headings in this Ordinance are for the convenience of the reader and are not a part of this Ordinance.

Section 2. Authority, Appropriation, Purposes and Findings.

A. Pursuant to the provisions of Section 20 of the Act and the Debt Reform Act, the Board authorizes the issuance of bonds not to exceed \$40,000,000 for the payment of land condemned or purchased for parks, for the building, maintaining, improving and protecting of the same and the existing facilities of the District, and for the payment of the expenses incident thereto, all as enumerated in Section 20 of the Act (collectively, the “*Park Purposes*”). This Ordinance constitutes an appropriation of bond proceeds for Park Purposes. The terms and conditions of such bonds shall be determined after compliance by the Board with the requirements of the Bond Issue Notification Act, 30 Illinois Compiled Statutes 352/1.

B. In anticipation of the receipt of proceeds from the issuance and sale of such bonds, this Ordinance is adopted pursuant to the provisions of Section 20b of the Act and applicable provisions of the Debt Reform Act, and authorizes the Board to enter into the Credit Agreement with the Lender for the provision of the Line of Credit and to evidence the borrowing under the Line of Credit by the issuance of one or more series of Notes in the aggregate principal amount of not to exceed \$40,000,000 for the payment of costs and expenses incurred for Park Purposes. This Ordinance constitutes an appropriation of General Funds for the payment of the principal of, and interest or capitalization of interest on, the Notes under the Line of Credit. The

Board has heretofore and does hereby determine to undertake a capital improvement program for Park Purposes. The portion of the capital improvement program to be funded by the application of the proceeds of the Notes includes the capital improvement projects that are more particularly described in the 2013 Capital Improvement Plan (the "2013 Projects"), the 2014 Capital Improvement Plan (the "2014 Projects") and the 2015 Capital Improvement Plan (the "2015 Projects" and together with the 2013 Projects and the 2014 Projects, the "Projects"), on file in the office of the Secretary of the District.

Section 3. Finding as to the Debt Limit. The Board hereby finds and determines that, upon the issuance of the Notes, the aggregate outstanding bonded indebtedness of the District, exclusive of bonds issued to create a working cash fund or otherwise not to be counted against the bonded indebtedness limit of the District as set forth in the Act, will not exceed one percent (1%) of the assessed valuation of all taxable property therein as last equalized and determined for state and local taxes.

Section 4. Notes and Line of Credit Details. The Notes under the Line of Credit shall become due (subject to the right of prior prepayment) on a date not more than one (1) year from the sale of the Notes and the closing date of the Line of Credit ("*Maturity Date*"). Each advance of funds (an "*Advance*") under the Line of Credit extended for taxable Notes shall bear interest at a rate not to exceed the sum of (i) the one-month London Interbank Offered Rate ("*LIBOR*") plus (ii) 140 basis points determined on each monthly interest reset date. Each Advance under the Line of Credit extended for Tax-Exempt Notes shall bear interest at a rate not to exceed the sum of (i) 70% LIBOR plus (ii) 90 basis points determined on each monthly interest reset date. Each Advance shall bear interest from the later of the date of a draw or from the most recent monthly interest payment date to which interest has been paid or duly provided for and be due and payable, quarterly, in arrears. The unused portion of the Line of Credit shall be subject to a

fee of 15 basis points per annum on the average daily undrawn amount, payable quarterly in arrears. Upon the Lender's declaration of a default of the Notes, outstanding Advances under the Line of Credit shall bear interest at a rate equal to the sum of (i) the Lender's Base Rate (as defined in the form of Note attached as Appendix I to the Credit Agreement) plus (ii) 3 percent. In no event shall the interest rate on the Notes (including yield protection if any) exceed the maximum rate of interest permitted by law.

Section 5. Prepayment. The Notes under the Line of Credit and each outstanding Advance thereunder shall be subject to prepayment, in whole or in part, without penalty on any monthly interest reset date pursuant to the terms of the Credit Agreement. It is hereby determined that payment of the outstanding principal of the Notes under the Line of Credit and any accrued interest unpaid at the time of such payment, shall be paid with the proceeds of bonds authorized by this Ordinance to be issued by the District.

Section 6. Renewal Option. At the option of the District, upon mutual agreement with the Noteholder, the Notes under the Line of Credit may be renewed for an additional one (1) year term upon the same interest rate terms and other conditions set forth and authorized in this Ordinance and the Credit Agreement.

Section 7. Certain Conditions of Borrowing. The Designated Officers are hereby authorized to proceed, without any further official authorization or direction whatsoever from the Board, to issue the Notes and accept the extension of the Line of Credit as provided in this Ordinance and in the Credit Agreement. Nothing in this Section shall require the Designated Officers to accept the extension and delivery of the Line of Credit at any time if in their judgment, the conditions in the financial markets are such that the issuance of the Notes and acceptance of the Line of Credit at such time is inadvisable, but the Designated Officers shall have the authority to accept the Line of Credit in any event so long as the limitations and

conditions set forth in this Ordinance shall have been met. It is hereby found at this time, and at the time of the issuance of the Notes and execution and delivery of the Credit Agreement the Designated Officers shall find and determine that, no person holding any office of the District either by election or appointment, is in any manner financially interested, either directly, in his or her own name, or indirectly, in the name of any other person, association, trust or corporation, in said agreement with the Lender.

Section 8. Security. The Notes are payable as a general obligation of the District from General Funds.

Section 9. Use of Line of Credit Proceeds; Creation of Accounts. Proceeds of the Notes and other funds of the District as stated are hereby appropriated as follows:

A. Proceeds of the Notes, together with investment earnings (if any), may be applied for the purpose of paying interest due on the Notes to a date not further than one year from the date of the first Advance, and to such end, are to be deposited into the "*Interest Account*" established as a sub-account within an appropriate account of the District (the "*Notes Account*").

B. The amount necessary to pay costs and expenses incurred in connection with the issuance and sale of the Notes, extension of the Line of Credit and preparation of the Credit Agreement shall to the fullest extent possible be totally paid from proceeds of the Notes at the issuance and sale of the Notes or (if and only if necessary) deposited into a separate sub-account within an appropriate existing account of the District, designated the "*Expense Account.*" Such payments by the District or any disbursements from the Expense Account shall be made from time to time as necessary.

C. The remaining proceeds of the Notes shall be set aside in a "*Capital Project Account*" (the "*Project Account*"), hereby established as a sub-account within an

appropriate existing account of the District, and be used to pay or reimburse costs of the Park Purposes, including expenses related thereto. The Board reserves the right, as it becomes necessary from time to time, to revise the list of Projects, to change priorities, to revise cost allocations between Projects and to substitute Projects, in order to meet current needs of the District; subject, however, to limitations of Applicable Law and to the tax covenants made by the District as set forth herein. Monies on deposit in the Project Account may be invested by the Treasurer in any lawful investment.

Section 10. General Tax Covenants. The Notes may be a taxable obligation or a Tax-Exempt obligation as determined by the Chief Financial Officer and Treasurer after consultation with Special Tax Counsel and the Municipal Advisor. In the event the Notes are issued as a Tax-Exempt obligation, the District shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Advance to become subject to federal income taxes in addition to federal income taxes to which interest on such Advance is subject on the date of original issuance thereof.

The District shall not permit any of the proceeds of the Notes, or any facilities financed with such proceeds, to be used in any manner that would cause the Notes to constitute a "private activity bond" within the meaning of Section 141 of the Code.

The District shall not permit any of the proceeds of the Notes or other moneys to be invested in any manner that would cause the Notes to constitute an "arbitrage bond" within the meaning of Section 148 of the Code or a "hedge bond" within the meaning of Section 149(g) of the Code.

The District shall comply with the provisions of Section 148(f) of the Code relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

Section 11. Execution of the Notes; Approval of Documents.

A. The Notes shall be executed on behalf of the District with the manual or duly authorized facsimile signatures of any of the Designated Officers and the Secretary of the District, all as such officers shall determine. In case any Designated Officer whose signature shall appear on the Notes shall cease to be such officer before the delivery of such Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

B. The form of the Credit Agreement by and between the District and Lender, on file in the office of the Secretary, is hereby approved. Any of the Designated Officers is hereby authorized to execute and deliver the Credit Agreement substantially in the form on file in the office of the Secretary of the District and presented to the Board. When such Credit Agreement 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 Credit Agreement as executed and delivered. The execution and delivery of the Credit Agreement shall constitute conclusive evidence of the approval of such changes and completions. The documents approved by this Section may be executed in one or more counterparts. The corporate seal of the District or a facsimile thereof may, if required, be affixed or otherwise reproduced upon each document and attested by the manual or authorized facsimile signature of the Secretary of the District.

Section 12. Applicable Law. The provisions of the Ordinance shall be governed by, construed and enforced in accordance with the laws of the State of Illinois, including, without limitation, those laws applicable to contracts made and to be performed in the State of Illinois, without however giving effect to the conflict of laws provisions thereof.

Section 13. Officers and Employees of the District. No recourse shall be had for the payment of the principal of, yield protection, if any, or interest on the Notes or for any claim based thereon or upon any obligation, covenant or agreement contained in or authorized or approved by, this Ordinance or any agreement supplemental hereto, against any past, present or future president, commissioner or other officer, director, member, employee, attorney or agent of the District, or any officer, commissioner, director, member, trustee, employee or agent of any successor public corporation or body politic, as such, either directly or through the District or any successor public corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, commissioners, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the Notes and the Line of Credit.

Section 14. 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 15. Superseder; Publication; Effective Date. All ordinances, procedural rules, or parts thereof in conflict herewith be and the same are hereby superseded for purposes of this Ordinance. The Secretary shall cause this Ordinance to be published in pamphlet form, but such publication shall be for public information purposes only and shall not be a condition of the effectiveness hereof, and this Ordinance shall be in full force and effect forthwith upon its adoption.

Commissioners:	Juan Salgado, Erika Allen, Donald Edwards, Tim King,
A YES:	Vice President Avis LaVelle and President Bryan Traubert-6
NAYS:	None
ABSENT:	Commissioner M. Laird Koldyke-1

ADOPTED: February 11, 2015.

SIGNED: _____, 2015



President, Board of Commissioners
Chicago Park District

ATTEST:



Secretary, Chicago Park District

BOND ANTICIPATION NOTES UNDER LINE OF CREDIT 2015

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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 Chicago Park District (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 11th day of February 2015 (the "*Meeting*"), insofar as same relates to the adoption of an ordinance entitled:

AN ORDINANCE authorizing the issuance of bond anticipation notes of the Chicago Park District in an amount not to exceed \$40,000,000 under a line of credit for the purpose of paying and reimbursing a part of the cost of building, maintaining, and improving parks, and the execution of a line of credit agreement and other documents in connection therewith.

(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 48 hours in advance of holding the Meeting at the location where the meeting was held and at the principal office of the Board; 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, the Chicago Park District Act of the State of Illinois, as amended; and the Local Government Debt Reform Act of the State of Illinois, as amended; and that the Board has

complied with all of the 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.

I do further certify that I did cause the Ordinance to be published in pamphlet form and available in my office, in quantity sufficient to meet the demand for same, not later than the date affixed to this Certificate.

IN WITNESS WHEREOF I hereunto affix my official signature and the official seal of the District this ____ day of _____ 2015.

Secretary, Board of Commissioners

[Attach agenda, minutes and ordinance.]