

PRELIMINARY TERM SHEET DATED AUGUST 21, 2024

**Carbondale Park District Jackson County, Illinois
\$718,300* General Obligation Limited Tax Park Bonds, Series 2024**

Issuer: Carbondale Park District, Jackson County, Illinois (the "District").

Issue: \$718,300* General Obligation Limited Tax Park Bonds, Series 2024 (the "Bonds").

Bid(s) Due: September 5, 2024 by 10:15 A.M. C.S.T.

Award Date: September 9, 2024.

Dated/Delivery Date: September 24, 2024.

Method of Sale: Competitive.

Purchaser: _____ (the "Purchaser").

Interest Payment Date: Interest is due on November 15, 2025. Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months.

Principal Due: November 15, 2025.

**Maturity, Amount
Interest Rate and Yield:**

| <u>Maturity</u> | <u>Principal</u> | <u>Interest</u> | <u>Yield</u> |
|--------------------|------------------|-----------------|--------------|
| <u>November 15</u> | <u>Amount*</u> | <u>Rate</u> | <u>Yield</u> |
| 2025 | \$718,300 | _____% | _____% |

Purchase Price: No less than par.

Good Faith Deposit: A good faith deposit will **NOT** be required.

Bank Qualification: The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Legal Opinion/Tax Exemption: Taft Stettinius & Hollister LLP, Chicago, Illinois, Bond Counsel ("Bond Counsel"), will provide an opinion as to the validity of the Bonds. Interest on the Bonds is **Not** exempt from present State of Illinois income taxes.

Original Issue Discount: The Bonds do not pay interest until a date that is more than one year after the date of issue. The interest payment on the Bonds is not "qualified" stated interest for federal income tax purposes and will accordingly be included in the computation of original issue discount. Regardless of whether the issue price of the Bonds is below the par amount thereof, the difference between the issue price of the Bonds and the interest payment thereon plus the amount payable at maturity is original issue discount. Because interest is not payable at an interval of one year or less, all of the Bonds are original issue discount bonds.

Registrar/Paying Agent: The Purchaser will act as bond registrar and paying agent on the Bonds, unless an agent is appointed by the Purchaser. However, such appointment will be made at the expense of the Purchaser. If no such appointment is made, the Purchaser agrees to furnish an invoice to the District prior to the payment date.

Registered or Book-Entry: The Bonds will be registered in the name of the Purchaser unless otherwise requested by the Purchaser.

Rule G-34, as Amended: Rule G-34, as amended, extends to non-dealer municipal advisors the requirement that a municipal advisor obtain a CUSIP number when advising on a competitive transaction in municipal securities.

Rule G-34, as amended, provides a principles-based exception for municipal advisors in competitive sales from the CUSIP number requirements when selling a new issue of municipal securities in certain circumstances where the municipal advisor reasonably believes (e.g., by obtaining a written representation) that the present intent of the purchasing entity is to hold the municipal securities to maturity or earlier redemption or mandatory tender. Specifically, Rule G-34(a)(i)(F) provides as follows:

“(F) [A] municipal advisor advising the issuer with respect to a competitive sale of a new issue, which is being purchased directly by a bank, any entity directly or indirectly controlled by the bank or under common control with the bank, other than a broker, dealer or municipal securities dealer ... may elect not to apply for assignment of a CUSIP number or numbers if the ... municipal advisor reasonably believes (e.g., by obtaining a written representation) that the present intent of the purchasing entity or entities is to hold the municipal securities to maturity”

Should your bid be the best bid and should this not be relevant in your situation please advise Speer Financial, Inc. immediately.

Authorization: The Bonds are being issued pursuant to the Park District Code of the State of Illinois (the “Act”) and the Local Government Debt Reform Act of the State of Illinois (the “Debt Reform Act”), each as supplemented and amended, and an ordinance to be adopted by the Board of Park Commissioners of the District on the Award Date.

Purpose: Proceeds of the Bonds will be used to (i) provide the revenue source for outstanding obligations of the District, as listed below, (ii) to fund various capital projects and (iii) to pay the costs of issuance of the Bonds.

| <u>Issue</u> | <u>Payment Date</u> | <u>Debt Service</u> |
|--|---------------------|---------------------|
| General Obligation Refunding Park Bonds (Alternate Revenue Source), Series 2019A | 12/15/2024 | \$241,295 |

Security: In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the “Tax Extension Limitation Law”).

Security (cont.):

The Debt Reform Act provides that the Bonds are payable from the debt service extension base of the District (the "Base"), which is an amount equal to that portion of the extension for the District for the 1997 levy year constituting an extension for payment of principal and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum, increased each year, commencing with the 2009 levy year, by the lesser of 5% or the percentage increase in the Consumer Price Index (as defined in the Tax Extension Limitation Law) during the 12-month calendar year preceding the levy year. The amount of the Base for the 2024 levy year is \$837,351.09. The Tax Extension Limitation Law further provides that the annual amount of taxes to be extended to pay the Bonds and all other limited bonds hereafter issued by the District shall not exceed the Base.

Upon the issuance of the Bonds, the Bonds constitute one of two series of limited bonds of the District which are payable from the 2024 Base including the General Obligation Limited Tax Park Bonds Series 2023 (the "Prior Limited Bonds"). The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

Illinois Property Tax Extension Limitation Law:

The District, as a non-home rule unit of local government located in Jackson County, Illinois, became subject to the Tax Extension Limitation Law in 1997 pursuant to a legislative action by the General Assembly. The effect of the Tax Extension Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless the obligations first are approved at a direct referendum, are alternate bonds or are for certain refunding purposes.

Public Act 89-385, effective August 18, 1995, permits local governments, including the District, to issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Denomination:

\$5.00 or integral multiples thereof.

Municipal Advisor:

Speer Financial, Inc., Chicago, Illinois.

Expenses:

The District will pay for the legal opinion and municipal advisor's fee. At closing, the District will deliver one typed bond.

Optional Redemption: The Bonds are not subject to redemption prior to maturity.

Credit Rating: A credit rating will not be requested for the Bonds.

Secondary Market Disclosure: This Bond issue is not subject to the continuing disclosure provisions of Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Investor Letter: The purchaser will be required to execute an investor letter, in the form attached as Appendix B, wherein the purchaser will certify to the District and Bond Counsel that it (i) is acquiring the Bonds for its own account and solely for investment purposes and not with a view to any distribution of any Bond or any interest therein or a portion thereof or with any present intention of distributing or selling any Bond or any interest therein or portion thereof and (ii) has knowledge and experience in financial and business matters, including the acquisition and holding of tax-exempt obligations, that it is capable of evaluating the merits and risks of purchasing the Bonds and is able to bear such risks.

CARBONDALE PARK DISTRICT, JACKSON COUNTY, ILLINOIS

President, Board of Park Commissioners

**Audited Financial Statements for the
Fiscal Year Ended December 31, 2023**

The financial report of the District contained in this **APPENDIX A** (the “2023 Audit”) was approved by formal action of the Board of Park Commissioners of the District. The District has not requested that its auditor update information contained in the 2023 Audit; nor has the District requested that its auditor consent to the use of the 2023 Audit in this Term Sheet. The financial information contained in the 2023 Audit has not been updated since the date of the 2023 Audit. The inclusion of the 2023 Audit in this Term Sheet in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the 2023 Audit. Questions or inquiries relating to financial information of the District since the date of the 2023 Audit should be directed to the District.

**CARBONDALE PARK DISTRICT
(JACKSON COUNTY, ILLINOIS)
GENERAL OBLIGATION LIMITED TAX PARK BONDS, SERIES 2024**

INVESTOR LETTER

September __, 2024

Carbondale Park District
Jackson County, Illinois

Taft Stettinius & Hollister LLP
Chicago, Illinois

Re: \$718,300* General Obligation Limited Tax Park Bonds, Series 2024 (the
“Bonds”)

Ladies and Gentlemen:

The undersigned, _____ (the “Purchaser”) hereby represents and warrants to you as follows:

1. The Purchaser has purchased on the date hereof at the price of par, with no accrued interest, \$718,300* in par amount of the Bonds issued pursuant to an ordinance (the “Ordinance”) of the Board of Park Commissioners of the Carbondale Park District, Jackson County, Illinois (the “Issuer”) adopted September 9, 2024.

2. The Purchaser is a bank, any entity directly or indirectly controlled by the bank or under common control with the bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, or a consortium of such entities; or a municipal entity with funds that are, at least in part, proceeds of, or fully or partially secure or pay, the purchaser’s issue of municipal obligations (*e.g.*, state revolving fund or bond bank).

3. The Purchaser has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bonds in particular, to enable the Purchaser to evaluate the Bonds, the credit of the Issuer, the collateral and the bond terms and that the Purchaser will make its own independent credit analysis and decision to purchase the Bonds based on independent examination and evaluation of the transaction and the information deemed appropriate.

4. The Purchaser acknowledges that no credit rating has been sought or obtained with respect to the Bonds.

5. The Purchaser acknowledges that no official statement has been prepared for the Bonds, and that the Issuer of the Bonds will not be entering into a continuing disclosure agreement to provide ongoing disclosure respecting the Bonds. The Purchaser has been offered copies of or full access to all documents relating to the Bonds and all records, reports, financial statements and other information concerning the Issuer and pertinent to the source of payment for the Bonds as deemed material by the Purchaser, which the Purchaser as a reasonable investor, has requested and to which the Purchaser, as a reasonable investor, would attach significance in making an investment decision.

6. The Purchaser confirms that its investment in the Bonds constitutes an investment that is suitable for and consistent with its investment program and that the Purchaser is able to bear the economic risk of an investment in the Bonds, including a complete loss of such investment.

7. The Purchaser states that: (a) it is a bank, savings and loan association, insurance company, or registered investment company; or an investment adviser registered either with the Securities and Exchange Commission under Section 203 of the Investment Advisers Act of 1940 or with a state securities commission (or any agency or office performing like functions); or any other entity (whether a natural person, corporation, partnership, trust, or otherwise) with total assets of at least \$50 million; and, (b) it is capable of evaluating investment risks and market value independently, both in general and with regard to transactions and investment strategies in municipal securities; (b) the Purchaser has timely access to material information that is available publicly through established industry sources as defined in Municipal Securities Rulemaking Board (MSRB) Rule G-47.

8. The Purchaser is purchasing the Bonds solely for its own account for investment purposes only, with a present intent to hold the securities until maturity, early redemption or mandatory tender, and not with a view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Purchaser's property will remain at all times within its control).

9. The Purchaser understands that the Bonds (i) have not been registered under the Securities Act of 1933, as amended (the "Act"), and (ii) have not been registered or qualified under any state securities or "Blue Sky" laws, and that the Resolution has not been qualified under the Trust Indenture Act of 1939, as amended.

10. The Purchaser understands that the Issuer, and their respective counsel and Bond Counsel will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

11. The signatory of this Certificate is a duly authorized officer of the Purchaser with the authority to sign this Certificate on behalf of the Purchaser, and this Certificate has been duly authorized, executed and delivered.

Very truly yours,

[Purchaser]

By: _____
Name: _____
Title: _____

PROPOSED FORM OF BOND OPINION

September __, 2024

Carbondale Park District
Jackson County, Illinois

Re: Carbondale Park District, Jackson County, Illinois
General Obligation Limited Tax Park Bonds, Series 2024
Total Issue: \$ _____
Dated: September __, 2024

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Carbondale Park District, Jackson County, Illinois (the "Issuer") of \$ _____ of its General Obligation Limited Tax Park Bonds, Series 2024, dated September __, 2024 (the "Bonds"). We have examined the law and the certified transcript of proceedings of the Issuer had relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Issuer's tax covenants and representations (the "Tax Representations"), and we have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are valid and binding general obligations of the Issuer.
2. All taxable property in the territory of the Issuer is subject to a direct annual tax without limitation as to rate to pay the Bonds. The amount of taxes that may be levied is limited by the Property Tax Extension Limitation Law. The Issuer has levied and appropriated amounts sufficient to pay the principal and interest due on the Bonds.
3. Under federal statutes, decisions, regulations and rulings existing on this date, interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986 (the "Code"), and is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax. This opinion relates only to the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance with the Tax Representations. Failure to comply with the Tax Representations could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their date of issue.
4. The Bonds have been properly designated as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds, and we express no opinion thereon.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof may be subject to (i) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity; and (ii) the valid exercise of the constitutional powers of the Issuer, the State of Illinois and the United States of America.

Very truly yours,

Board of Park Commissioners:

For the \$718,300* General Obligation Limited Tax Park Bonds, Series 2024 (the Bonds), of the Carbondale Park District, Jackson County, Illinois (the "District"), as described in the annexed Preliminary Term Sheet, we will pay \$718,300 plus any accrued interest from the dated date of the Bonds to the date of delivery for the Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%).

MATURITY* – NOVEMBER 15:

2025\$718,300 _____%

By submitting a bid, any bidder makes the representation that it understands Taft Stettinius & Hollister, LLP, Chicago, Illinois ("Bond Counsel") represents the District in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the District in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Bond Counsel. The Lender, should it so choose, agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

ACCOUNT MANAGER INFORMATION

| | | | |
|------------------------------------|--|---------------|--|
| Firm Name: | | | |
| Name/Title of Firm Representative: | | Direct Phone: | |
| Signature: | | FAX #: | |
| Street Address: | | State: | |
| City: | | Zip Code: | |
| Email: | | | |

The foregoing bid was accepted and the Bonds sold by ordinance of the Board of Park Commissioners of the District on September 9, 2024.

CARBONDALE PARK DISTRICT, JACKSON COUNTY, ILLINOIS

President, Board of Park Commissioners

----- **NOT PART OF THE BID** -----
 (Calculation of net interest cost)

| | | |
|----------------------------|-------------|---|
| Gross Interest | \$ | |
| Less Premium/Plus Discount | \$ | |
| Net Interest Cost | \$ | |
| Net Interest Rate | | % |
| TOTAL BOND YEAR DOLLARS | \$820.06 | |
| AVERAGE LIFE | 1.142 Years | |

*Subject to change.