

**FILED**

NOV 28 2016

MINUTES of a regular public meeting of the Board of Park Commissioners of the Wheaton Park District, DuPage County, Illinois, held in the Wheaton City Council Chambers, 303 West Wesley Street, Wheaton, Illinois, in said Park District at 7:00 o'clock P.M., on the 16th day of November, 2016.

\* \* \*

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

Upon the roll being called, RAY Morrill vice ~~Jane Hodgkinson~~, the President, and the following Park Commissioners were physically present at said location: Frey, Kelly, Mee, Schobel + Vires

The following Park Commissioners were allowed by a majority of the members of the Board of Park Commissioners in accordance with and to the extent allowed by rules adopted by the Board of Park Commissioners to attend the meeting by video or audio conference: None

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

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

The President announced that a proposal had been received from Wheaton Bank & Trust Company, Wheaton, Illinois, for the purchase of \$1,615,815 non-referendum general obligation park bonds to be issued by the District pursuant to Section 6-4 of the Park District Code for the payment of land condemned or purchased for parks, for the building, maintaining, improving and protecting of the same and the existing land and facilities of the District and for the payment of the expenses incident thereto and to provide for the payment of certain outstanding bonds of the

District and that the Board of Park Commissioners would consider the adoption of an ordinance providing for the issue of said bonds and the levy of a direct annual tax to pay the principal and interest thereon. The President also summarized the pertinent terms of said proposal and said bonds, including the length of maturity, rate of interest, purchase price and tax levy for said bonds.

Whereupon Park Commissioner Morfi II presented and the Secretary read by title an ordinance as follows, a copy of which was provided to each Park Commissioner prior to said meeting and to everyone in attendance at said meeting who requested a copy:

**ORDINANCE NO. 2016-06**

AN ORDINANCE providing for the issue of \$1,615,815 General Obligation Limited Tax Park Bonds, Series 2016, of the Wheaton Park District, DuPage County, Illinois, for the payment of land condemned or purchased for parks, for the building, maintaining, improving and protecting of the same and the existing land and facilities of said Park District, for the payment of outstanding bonds of said Park District, providing for the levy of a direct annual tax to pay the principal and interest on said bonds and authorizing the sale of said bonds to Wheaton Bank & Trust Company.

\* \* \*

WHEREAS, the Wheaton Park District, DuPage County, Illinois (the "*District*"), is a duly organized and existing Park District created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Park District Code of the State of Illinois, and all laws amendatory thereof and supplementary thereto (the "*Act*"); and

WHEREAS, the needs of the District require the expenditure of not less than the sum of \$1,043,261.28 for the payment of land condemned or purchased for parks, for the building, maintaining, improving and protecting of the same and the existing land and facilities of the District and for the payment of the expenses incident thereto (the "*Project*"), all in accordance with the preliminary plans and estimate of cost heretofore approved by the Board of Park Commissioners of the District (the "*Board*") and now on file in the office of the Secretary of the Board; and

WHEREAS, the Board finds that it does not have sufficient funds on hand for the purpose aforesaid, and that the cost thereof will be not less than \$1,043,261.28, and that it is necessary and for the best interests of the District that it borrow the sum of \$1,043,261.28 and issue bonds of the District to evidence the borrowing; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, the President of the Board, on the 7th day of

August, 2015, executed an Order calling a public hearing (the "*Hearing*") for the 19th day of August, 2015, concerning the intent of the Board to sell bonds in the amount of \$5,500,000 for the Project; and

WHEREAS, notice of the Hearing was given (i) by publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in the *Daily Herald*, the same being a newspaper of general circulation in the District, and (ii) by posting at least 48 hours before the Hearing a copy of said notice at the principal office of the Board, which notice was continuously available for public review during the entire 48-hour period preceding said Hearing; and

WHEREAS, the Hearing was held on the 19th day of August, 2015, and at the Hearing, the Board explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 19th day of August, 2015; and

WHEREAS, the Board has heretofore issued not more than \$1,031,086.85 pursuant to the Hearing to pay the costs of the Project; and

WHEREAS, the Board does hereby find and determine that it is authorized at this time to issue bonds in the amount of \$1,043,261.28 for the Project; and

WHEREAS, the District has issued and now has outstanding and unpaid its Taxable General Obligation Park Bonds (Alternate Revenue Source), Series 2010, dated February 24, 2010 (the "*Series 2010 Alternate Bonds*"); and

WHEREAS, it is necessary and desirable to provide the revenue source for the payment of a portion of the principal and interest due on December 15, 2016, and a portion of the interest due on June 15, 2017, on the Series 2010 Alternate Bonds; and

WHEREAS, the Series 2010 Alternate Bonds are presently outstanding and unpaid and are binding and subsisting legal obligations of the District; and

WHEREAS, the Board hereby finds that it does not have sufficient funds on hand for the purposes aforesaid, and that the cost thereof, including legal, financial, and other expenses, will not be less than \$572,553.72 and that it is necessary and for the best interests of the District that it borrow the sum of \$572,553.72 and issue bonds of the District to evidence the borrowing; and

WHEREAS, it is in the best interests of the District to issue bonds in the amount of \$1,043,261.28 for the Project and bonds in the amount of \$572,553.72 to provide the revenue source for the payment of a portion of the principal and interest due on December 15, 2016, and a portion of the interest due on June 15, 2017, on the Series 2010 Alternate Bonds, together as one issue of bonds in the aggregate amount of \$1,615,815; and

WHEREAS, the Board does hereby find and determine that (a) said bonds shall be issued as limited bonds under the provisions of the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"), and (b) upon the issuance of the \$1,615,815 General Obligation Limited Tax Park Bonds, Series 2016, now proposed to be issued, the aggregate outstanding unpaid bonded indebtedness of the District, including said bonds, will not exceed .575% of the total assessed valuation of all taxable property in the District as last equalized and determined, and pursuant to the provisions of the Debt Reform Act and Section 6-4 of the Act, it is not necessary to submit the proposition of issuing said bonds to the voters of the District for approval:

NOW, THEREFORE, Be It Ordained by the Board of Park Commissioners of the Wheaton Park District, DuPage County, Illinois, as follows:

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

*Section 2. Authorization.* It is hereby found and determined that the District has been authorized by law to borrow the sum of \$1,043,261.28 upon the credit of the District and as evidence of such indebtedness to issue bonds of the District in said amount, the proceeds of said bonds to be used for the purpose of paying the cost of the Project, and it is necessary and for the best interests of the District that there be issued at this time \$1,043,261.28 of the bonds so authorized; that the District has been authorized by law to borrow the sum of \$572,553.72 upon the credit of the District and as evidence of such indebtedness to issue bonds of the District in said amount, the proceeds of said bonds to be used to provide the revenue source for the payment of a portion of the principal and interest due on December 15, 2016, and a portion of the interest due on June 15, 2017, on the Series 2010 Alternate Bonds, and it is necessary and for the best interests of the District that there be issued at this time \$572,553.72 of the bonds so authorized; and that said bonds be issued together as one issue of bonds in the aggregate principal amount of \$1,615,815.

*Section 3. Bond Details.* There be borrowed on the credit of and for and on behalf of the District the sum of \$1,615,815 for the purposes aforesaid; and that bonds of the District (the “Bonds”) shall be issued in said amount and shall be designated “General Obligation Limited Tax Park Bonds, Series 2016.” The Bonds shall be dated November 30, 2016, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$100,000 each and authorized integral multiples of \$5.00 in excess thereof, shall be numbered 1 and upward, shall become due and payable (without option of prior redemption) on October 15, 2017, and bear interest at the rate of 1.09% per annum.

The Bonds shall bear interest from their date, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on October 15, 2017. Interest on each Bond shall be paid by check or draft of Wheaton Bank & Trust Company, Wheaton, Illinois, as bond registrar and paying agent for the Bonds (the "*Bond Registrar*"), payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on October 1, 2017. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office of the Bond Registrar.

The Bonds shall be signed by the President and Secretary of the Board, and shall be countersigned by the Treasurer of the Board, and the seal of the District shall be affixed thereto or printed thereon, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. If the Secretary or the Treasurer of the Board is unable to perform the duties of his or her respective office, then their duties under this Ordinance shall be performed by the Assistant Secretary or the Assistant Treasurer of the Board, respectively.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the District and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if

signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

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

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the District shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of other authorized denominations. The execution by the District of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, *provided, however*, the principal amount of outstanding Bonds authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on October 1, 2017, and ending at the opening of business on October 15, 2017.



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

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

*Section 5. Form of Bond.* The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs [6] through [9] shall be inserted immediately after paragraph [1]:

(Form of Bond - Front Side)

REGISTERED  
No. \_\_\_\_\_

REGISTERED  
\$\_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF DUPAGE

WHEATON PARK DISTRICT

**GENERAL OBLIGATION LIMITED TAX PARK BOND, SERIES 2016**

See Reverse Side for  
Additional Provisions

Interest

Rate: 1.09%

Maturity

Date: October 15, 2017

Dated

Date: November 30, 2016

Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Wheaton Park District, DuPage County, Illinois (the "*District*"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond at the Interest Rate per annum set forth above on October 15, 2017. Principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal office of Wheaton Bank & Trust Company, Wheaton, Illinois, as bond registrar and paying agent (the "*Bond Registrar*"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the District maintained by the Bond Registrar at the close of business on October 1, 2017, and shall be paid by check or draft of the Bond Registrar, payable upon

presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

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

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the District, including the issue of bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity. Although this Bond constitutes a general obligation of the District and no limit exists on the rate of said direct annual tax, the amount of said tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Law*"). The Law provides that the annual amount of the taxes to be extended to pay the issue of Bonds of which this Bond is one and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District (the "*Base*"). Payments on the Bonds from the Base will be made on a parity with the payments on the outstanding limited bonds heretofore issued by the District. 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.

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

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

(SEAL)

SPECIMEN  
President, Board of Park Commissioners

Countersigned:

SPECIMEN  
Secretary, Board of Park Commissioners

SPECIMEN  
Treasurer, Board of Park Commissioners

Date of Authentication: \_\_\_\_\_, 201\_\_

CERTIFICATE  
OF  
AUTHENTICATION

Bond Registrar and Paying Agent:  
Wheaton Bank & Trust Company,  
Wheaton, Illinois

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the General Obligation Limited Tax Park Bonds, Series 2016, of the Wheaton Park District, DuPage County, Illinois.

WHEATON BANK & TRUST COMPANY,  
as Bond Registrar

By SPECIMEN  
Authorized Officer

[Form of Bond - Reverse Side]

**WHEATON PARK DISTRICT**

**DUPAGE COUNTY, ILLINOIS**

**GENERAL OBLIGATION LIMITED TAX PARK BOND, SERIES 2016**

[6] This Bond is one of a series of bonds issued by the District for the payment of land condemned or purchased for parks, for the building, maintaining, improving and protecting of the same and the existing land and facilities of the District and for the payment of the expenses incident thereto and to provide for the payment of certain outstanding bonds of the District, pursuant to and in all respects in full compliance with the provisions of the Park District Code of the State of Illinois, and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and is authorized by the Board of Park Commissioners of the District by an ordinance duly and properly adopted for that purpose, in all respects as provided by law.

[7] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Wheaton, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[8] The Bonds are issued in fully registered form in the denomination of \$100,000 each and authorized integral multiples of \$5.00 in excess thereof. This Bond may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of other authorized denominations, upon the terms set forth in the authorizing ordinance. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at

the close of business on October 1, 2017, and ending at the opening of business on October 15, 2017.

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

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_

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

Dated: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

*Section 6. Sale of Bonds.* The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the Treasurer of the Board, and be by said Treasurer delivered to Wheaton Bank & Trust Company, Wheaton, Illinois (the "Purchaser"), upon receipt of the purchase price therefor, the same being par, plus any accrued interest to date of delivery; the contract for the sale of the Bonds as evidenced by the bid submitted by the Purchaser and accepted by the District (the

“Purchase Contract”) is in all respects ratified, approved and confirmed, it being hereby found and determined that the Purchase Contract is in the best interests of the District and that no person holding any office of the District either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract. It is hereby found and determined that the Bonds have been sold at such prices and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceeds the rates otherwise authorized by applicable law.

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

*Section 7. Tax Levy.* In order to provide for the collection of a direct annual tax to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the District a direct annual tax for each of the years while the Bonds or any of them are outstanding, and that there be and there is hereby levied upon all of the taxable property in the District, the following direct annual tax, to-wit:

FOR THE YEAR	A TAX TO PRODUCE THE SUM OF:
2016	\$1,631,225.84 for interest and principal up to and including October 15, 2017

Principal or interest maturing 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 from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected.

The District covenants and agrees with the purchasers and the holders 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 foregoing tax levy and the District and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

*Section 8. Filing of Ordinance.* Forthwith upon the passage of this Ordinance, the Secretary of the Board is hereby directed to file a certified copy of this Ordinance with the County Clerk of The County of DuPage, Illinois (the "*County Clerk*"), and it shall be the duty of the County Clerk in and for the year 2016 to ascertain the rate necessary to produce the tax herein levied, 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 said year for general park purposes, in order to raise the amount aforesaid and in said year such annual tax 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 park purposes of the District, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated "Park Bond and Interest Fund of 2016" (the "*Bond Fund*"), which taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds.

*Section 9. Limitation on Extension; General Obligation Pledge; Additional Obligations.* Notwithstanding any other provision of this Ordinance, the annual amount of the



taxes to be extended by the County Clerk to pay the Bonds and all other limited bonds (as defined in the Debt Reform Act) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Property Tax Extension Limitation Law of the State of Illinois, as amended) of the District (the “*Base*”).

No limit, however, exists on the rate of the direct annual tax levied herein, and the Bonds shall constitute a general obligation of the District.

Payments on the Bonds from the Base will be made on a parity with the payments on the District’s outstanding General Obligation Limited Tax Refunding Park Bonds, Series 2015C, and Taxable General Obligation Limited Tax Refunding Park Bonds, Series 2015D. 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.

*Section 10. Use of Bond Proceeds.* Any accrued interest received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. The principal proceeds of the Bonds and any premium received from the sale of the Bonds are hereby appropriated to pay the costs of issuance of the Bonds, for the purpose of providing the revenue source for the payment of the Series 2010 Alternate Bonds, and for the purpose of paying the cost of the Project, and of that portion thereof not needed to pay such costs of issuance \$572,553.72 is hereby ordered deposited into the Prior Bond Fund (as hereinafter defined) and the balance of said portion is hereby ordered deposited into the Capital Improvement Account of the District (the “*Project Fund*”). At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the District from the proceeds of the Bonds.

*Section 11. Non-Arbitrage and Tax-Exemption.* One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Board and the District as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the District for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, the District hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the hereinafter defined Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The District acknowledges that, in the event of an examination by the Internal Revenue Service (the “IRS”) of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the District may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination. The Board and the District certify, covenant and represent as follows:

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

“*Advance Refunding*” means a refunding of Refunded Bonds.

“*Affiliated Person*” means any Person that (a) at any time during the six months prior to the execution and delivery of the Bonds, (i) has more than five percent of the voting power of the governing body of the District in the aggregate vested in its directors, officers, owners, and employees or, (ii) has more than five percent of the voting power of its governing body in the aggregate vested in directors, officers, board members or employees of the District or (b) during the one-year period beginning six months prior to

the execution and delivery of the Bonds, (i) the composition of the governing body of which is modified or established to reflect (directly or indirectly) representation of the interests of the District (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period) or (ii) the composition of the governing body of the District is modified or established to reflect (directly or indirectly) representation of the interests of such Person (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

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

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

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

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

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

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

- (a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or
- (b) to require the use of funds or assets of a Controlled Entity for any purpose.

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

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

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

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

“*De minimis Amount of Original Issue Discount or Premium*” means with respect to an obligation (a) any original issue discount or premium that does not exceed two percent of the stated redemption price at maturity of the Bonds plus (b) any original issue premium that is attributable exclusively to reasonable underwriter’s compensation.

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

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

“*Gross Proceeds*” means amounts in the Bond Fund, the Project Fund and amounts used to pay the Refunded Bonds.

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

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

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

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

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

“*Prior Bonds*” means the District’s outstanding issue being refunded by the Bonds, as more particularly described in the preambles hereof.

“*Prior Project*” means the facilities financed, directly or indirectly with the proceeds of the Prior Bonds.

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

“*Project Portion of the Bonds*” means that portion of the Bonds to be used for the Project.

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

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

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

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

“*Refunded Bonds*” means those certain Prior Bonds being refunded by the Bonds.

*“Refunding Portion of the Bonds”* means that portion of the Bonds to be used for the refunding of the Refunded Bonds.

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

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

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

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

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

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

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

2.1. *Purpose of the Bonds.* The Bonds are being issued solely and exclusively to finance the Project and to refund in advance of maturity the Refunded Bonds, each in a prudent manner consistent with the revenue needs of the District. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Ordinance. Except to pay the Refunded Bonds and except for any accrued interest on the Bonds used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 30 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the District or for the purpose of replacing any funds of the District used for such purpose.

2.2. *The Project – Binding Commitment and Timing.* The District has incurred or will, within six months of the Closing, incur a substantial binding obligation (not subject to contingencies within the control of the District or any member of the same Controlled Group as the District) to a third party to expend at least five percent of the Net Sale Proceeds of the Project Portion of the Bonds on the Project. It is expected that the work of acquiring and constructing the Project and the expenditure of amounts deposited into the Project Fund will continue to proceed with due diligence through the last date shown on the draw schedule to be attached to the Treasurer’s Receipt as an Exhibit (the “*Exhibit*”) at the time of Closing, which is no later than three years after Closing, at which time it is anticipated that all Sale Proceeds of the Project Portion of the Bonds and investment earnings thereon will have been spent.

2.3. *Reimbursement.* With respect to expenditures for the Project paid within the 60 day period ending on this date and with respect to which no declaration of intent was previously made, the District hereby declares its intent to reimburse such expenditures and hereby allocates Sale Proceeds in the amount indicated in the Treasurer’s Receipt to be delivered in connection with the issuance of the Bonds to reimburse said expenditures. Otherwise, none of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

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

(a) an amount not to exceed five percent of the Sale Proceeds of the Project Portion of the Bonds for working capital expenditures directly related to Capital Expenditures financed by the Bonds;

(b) payments of interest on the Bonds to the extent allocable to the Project Portion of the Bonds for a period commencing at Closing and ending on the later of the date three years after Closing or one year after the date on which the Project is Placed-in-Service and interest on the Bonds to the extent allocable to the Refunding Portion of the Bonds for the period commencing at Closing and ending on the date one year after the date on which the Prior Project is Placed-in-Service;

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

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

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

(f) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months.

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

2.6. *Payments to District or Related Persons.* The District acknowledges that if Sale Proceeds or investment earnings thereon are transferred to or paid to the District or any member of the same Controlled Group as the District, those amounts will not be treated as having been spent for federal income tax purposes. However, Sale Proceeds or investment earnings thereon will be allocated to expenditures for federal income tax purposes if the District uses such amounts to reimburse itself for amounts paid to persons other than the District or any member of the same Controlled Group as the District, provided that the original expenditures were paid on or after Closing or are permitted under paragraph 2.3 of this Section, and *provided* that the original expenditures were not otherwise paid out of Sale Proceeds or investment earnings thereon or the proceeds of any other borrowing. In addition, investment earnings may be allocated to expenditures to the extent provided in paragraph 2.4(f) of this Section. Any Sale Proceeds or investment earnings thereon that are transferred to or paid to the District or any member of the same Controlled Group as the District will remain Sale Proceeds or investment earnings thereon, and thus Gross Proceeds, until such amounts are allocated to expenditures for federal income tax purposes. If the District does not allocate any such amounts to expenditures for the Project or other expenditures permitted under this Ordinance, any such amounts will be allocated for federal income tax purposes to the next expenditures, not otherwise paid out of Sale Proceeds or investment earnings thereon or the proceeds of any other borrowing, for interest on the Bonds prior to the later of the date three years after Closing or one year after the date on which the Project is Placed-in-Service. The District will consistently follow this accounting method for federal income tax purposes.

2.7. *Investment of Bond Proceeds.* Not more than 50% of the Sale Proceeds of the Project Portion of the Bonds and investment earnings thereon are or will be invested in investments (other than Qualified Tax Exempt Obligations) having a Yield that is substantially guaranteed for four years or more. No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

It is expected that the Sale Proceeds deposited into the Project Fund, including investment earnings on the Project Fund, will be spent to pay costs of the Project, in accordance with the estimated drawdown schedule contained in the Exhibit, and the investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Project Fund and the Bond Fund will be commingled with substantial revenues from the governmental operations of the District, and the earnings are reasonably expected to be spent for



governmental purposes within six months of the date commingled. Interest earnings on the Project Fund and the Bond Fund have not been earmarked or restricted by the Board for a designated purpose.

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

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

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

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

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

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

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

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

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

(e) The costs of the Project will be paid from the Project Fund and no other moneys (except for investment earnings on amounts in the Project Fund) are expected to be deposited therein.

(f) The Bonds will be allocated between the Refunding Portion of the Bonds and the Project Portion of the Bonds based on the percentages of the issue price allocable to each portion. Allocation to each portion will be made at such time as is necessary.

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

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

3.3. *The Prior Bonds.* (a) As of the earlier of (i) the time of the Closing or (ii) the date three years after the Prior Bonds were issued, all Prior Bond Proceeds, including investment earnings thereon, were completely spent to pay the costs of Capital Expenditures.

(b) As of the date hereof, no Prior Bond Proceeds or money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the

source thereof, with respect to the Prior Bonds or any credit enhancement or liquidity device relating to the foregoing, or is otherwise restricted to pay the District's obligations.

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

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

(e) The Refunded Bonds do not include, directly or indirectly in a series, any advance refunding obligations.

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

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

*3.4. No Other Gross Proceeds.* (a) Except for the Bond Fund, the Project Fund, and amounts to be used for the Advance Refunding and except for investment earnings that have been commingled as described in paragraph 2.6 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the District nor any member of the same Controlled Group as the District has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

- (i) Sale Proceeds;
- (ii) amounts in any fund or account with respect to the Bonds (other than the Rebate Fund);
- (iii) Transferred Proceeds;
- (iv) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have

been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the District encounters financial difficulties;

(vi) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (*e.g.*, any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the Bonds); or

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

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

(c) One hundred twenty percent of the average reasonably expected economic life of the Project is at least 1 year, and 120 percent of the average reasonably expected remaining economic life of the Prior Project is at least 13 years. The weighted average maturity of the Bonds does not exceed 1 year and does not exceed 120 percent of the average reasonably expected economic life of the Project or 120 percent of the average reasonably expected remaining economic life of the Prior Project. The maturity schedule of the Bonds (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (*i.e.*, having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

3.5. *Final Allocation of Proceeds.* Subject to the requirements of this Section, including those concerning working capital expenditures in paragraph 2.4, the District may generally use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments thereon, and expenditures. The District must account for the final allocation of proceeds of the Project Portion of the Bonds to expenditures not

later than 18 months after the later of the date the expenditure is paid or the date the property with respect to which the expenditure is made is Placed-in-Service. This allocation must be made in any event by the date 60 days after the fifth anniversary of the issue date of the Bonds or the date 60 days after the retirement of the Bonds, if earlier.

Reasonable accounting methods for allocating funds include any of the following methods if consistently applied: a specific tracing method; a Gross Proceeds spent first method; a first-in, first-out method, or a ratable allocation method. The District may also reallocate proceeds of the Bonds from one expenditure to another until the end of the period for final allocation, discussed above. Unless the District has taken an action to use a different allocation method by the end of the period for a final allocation, proceeds of the Bonds will be treated as allocated to expenditures using the specific tracing method.

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

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

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

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

4.4. *Fair Market Value; Certificates of Deposit and Investment Agreements.* The District will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment

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

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

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

(b) Investments in GICs shall be made only if

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

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

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

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

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased

(i.e., providers that have established industry reputations as competitive providers of the type of investments being purchased);

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

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

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

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

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

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

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

(i) a copy of the GIC;

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

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

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a

brief statement explaining the deviation and stating the purpose for the deviation.

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

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

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

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

4.5. *Arbitrage Elections.* The District hereby waives its right to invest amounts to be used for the Advance Refunding in investments with Yields higher than Bond Yield. The President, Secretary and Treasurer of the Board are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.



4.6. *Small Issuer Exception.* (a) The District is a governmental unit that has the power to impose a tax or to cause another entity to impose a tax of general applicability that, when collected, may be used for the governmental purposes of the District. The power to impose such tax is not contingent on approval by another governmental unit; a tax of general applicability is one that is not limited to a small number of persons. The District is not subject to Control by any other governmental unit or political subdivision. None of the Bonds is or will be a “private activity bond” (as defined in Section 141 of the Code). Ninety-five percent or more of the Sale Proceeds and investment earnings thereon will be used for local governmental activities of the District. None of the District, any entity that issues tax-exempt bonds, qualified tax credit bonds or direct pay bonds on behalf of the District or any entity subject to Control by the District will issue, during the calendar year 2016, any tax-exempt bonds (other than current refunding bonds to the extent of the aggregate face amount of the tax exempt bonds currently refunded thereby), qualified tax credit bonds or direct pay bonds in an aggregate face amount in excess of the *maximum aggregate face amount* (as hereinafter defined). As used herein, (a) “*tax-exempt bonds*” means obligations of any kind, the interest on which is excludable from gross income of the holders or owners thereof for federal income tax purposes pursuant to Section 103 of the Code but not including (i) “private activity bonds” (as defined in Section 141 of the Code) or (ii) obligations issued to refund another obligation if it is issued not more than 90 days before the redemption of the refunded obligation to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation, (b) “*aggregate face amount*” means, if an issue has more than a De minimis Amount of Original Issue Discount or Premium, the issue price of the issue and otherwise means the principal amount of the issue, (c) “*maximum aggregate face amount*” means \$5,000,000, (d) “*qualified tax credit bonds*” means any qualified tax credit bond (as defined in Section 54A(d) of the Code) or any “build America bond” that is not a qualified bond under Section 6431 of the Code and (e) “*direct pay bonds*” means any bond treated as a qualified bond as defined in Section 6431 of the Code. As of the date hereof, no tax-exempt bonds, qualified tax credit bonds, direct pay bonds or other obligations subject to arbitrage restrictions (other than the Bonds) have been issued by the District, any entity that issues bonds on behalf of the District or any entity subject to Control by the District during the calendar year 2016. The District does not reasonably expect that it, any entity that issues bonds on behalf of the District or any entity subject to Control by the District (including but not limited to the District) will issue any tax-exempt bonds, qualified tax credit bonds, direct pay bonds or other obligations subject to arbitrage restrictions within calendar year 2016. Therefore, subject to compliance with all the terms and provisions of this paragraph 4.6, the District is excepted from the required rebate of arbitrage profits on the Project Portion of the Bonds under Section 148(f)(4)(D) of the Code and from the terms and provisions of this Ordinance that need only be complied with if the District is subject to the arbitrage rebate requirement.

(b) The Refunding Portion of the Bonds is not exempt from Rebate and the District will rebate arbitrage profits on the Refunding Portion of the Bonds; *provided, however*, that the District will not invest any such amounts in investments with yields higher than Bond Yield.

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

5.2. *Yield Limits.* Except as provided in paragraph (a) or (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds plus, if only amounts in the Project Fund are subject to this yield limitation, 1/8th of one percent.

The following may be invested without Yield restriction:

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

(ii) amounts on deposit in the Project Fund that are reasonably expected to pay for the costs of the Project, costs of issuance of the Bonds, or interest on the Bonds during the three year period beginning on the date of issue of the Bonds prior to three years after Closing;

(iii) amounts in the Bond Fund to be used to pay capitalized interest on the Project Portion of the Bonds prior to the earlier of three years after Closing or the payment of all capitalized interest;

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

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

(iii) amounts in the Rebate Fund;

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

(v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon for a period of one year from the date received.

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

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

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

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

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

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

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

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

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

6.3. *Bank Qualification.* (a) The District hereby designates each of the Bonds as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the District hereby certifies that (i) none of the Bonds will be at anytime a “private activity bond” (as defined in Section 141 of the Code), (ii) as of the date hereof in calendar year 2016, other than the Bonds, no tax-exempt obligations of any kind have been issued (x) by or on behalf of the District, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the District or (z) any portion of which has been allocated to the District for purposes of Section 265(b) of the Code and (iii) not more than \$10,000,000 of obligations of any kind (including the Bonds) issued (x) by or on behalf of the District, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the District or (z) any portion of which has been allocated to the District for purposes of Section 265(b) of the Code during calendar year 2016 will be designated for purposes of Section 265(b)(3) of the Code.

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

(c) On the date hereof, the District does not reasonably anticipate that for calendar year 2016 it will issue, have another entity issue on behalf of the District, borrow the proceeds of or have allocated to the District for purposes of Section 265(b) of the Code more than \$10,000,000 Section 265 Tax-Exempt Obligations (including the Bonds). “*Section 265 Tax-Exempt Obligations*” are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, *except for* private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The District will not, in calendar year 2016 issue, permit the issuance on behalf of it or by any entity subject to Control by the District (which may hereafter come into existence), borrow the proceeds of or have allocated to it for purposes of Section 265(b) of the Code Section 265 Tax-Exempt Obligations (including the Bonds) that exceed the aggregate amount of \$10,000,000 during calendar year 2016 unless it first obtains an opinion of Bond Counsel to the effect that such issuance, borrowing or allocation will not adversely affect the treatment of the Bonds as “qualified tax-exempt obligations” for the purpose and within the meaning of Section 265(b)(3) of the Code.

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

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

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

7.3. *No Sale of the Project or Prior Project.* (a) Other than as provided in the next sentence, neither the Project, the Prior Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the District of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity date of the Bonds. The District may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the District of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity of the Bonds, provided: (A) the weighted average

maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the District reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the District deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the District reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

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

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

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

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

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

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

7.9. *Records Retention.* The District agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in this Ordinance and to show that all tax returns related to the Bonds submitted or required to be submitted to the IRS are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction

(including this Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (*i.e.*, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under paragraphs 4.3 and 4.4 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

*7.10. Permitted Changes; Opinion of Bond Counsel.* The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the District receives an opinion of Bond Counsel to such effect.

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

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

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

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

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

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

(vi) interest on purpose investments.

7.12. *Post-Issuance Compliance Policy.* The District acknowledges that the IRS encourages issuers of tax-exempt bonds to adopt written post-issuance compliance policies in addition to its bond documents, and provides certain potential benefits to issuers that do so. For example, issuers may receive more favorable terms on any voluntary settlement pursuant to the IRS' voluntary closing agreement program if an issuer has adopted written procedures that, at a minimum, specify the official(s) with responsibility for monitoring compliance, a description of the training provided to such responsible official(s) with regard to monitoring compliance, the frequency of compliance checks (must be at least annual), the nature of the compliance activities required to be undertaken, the procedures used to timely identify and elevate the resolution of a violation when it occurs or is expected to occur, procedures for the retention of all records material to substantiate compliance with the applicable federal tax requirements, and an awareness of the availability of the IRS' voluntary closing agreement program and other remedial actions to resolve violations. Generally, a reference to reliance on the bond documents, without more, will not qualify as sufficient written procedures for these purposes.

The District has adopted written post-issuance compliance policies that meet the foregoing, which are maintained by the District separately. The post-issuance compliance policies do not constitute part of this Section, and the District may modify or eliminate any post-issuance compliance policies without the consent of the holders of the Bonds and without regard to paragraph 7.10.

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

7.14. *Expectations.* The Board has reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the District as to future events, are set forth in summary form in this Section. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the District has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

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



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

*Section 12. List of Bondholders.* The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

*Section 13. Duties of Bond Registrar.* If requested by the Bond Registrar, the President and Secretary of the Board are authorized to execute the Bond Registrar's standard form of agreement between the District and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

(a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the District upon request, but otherwise to keep such list confidential;

(c) to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;

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

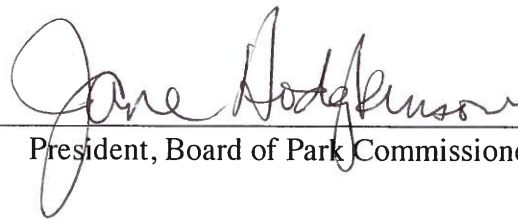
(e) to furnish the District at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

*Section 14. Record-Keeping Policy and Post-Issuance Compliance Matters.* On November 14, 2012, the Board adopted a record-keeping policy (the “Policy”) in order to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the debt obligations of the District, the interest on which is excludable from “gross income” for federal income tax purposes or which enable the District or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds. The Board and the District hereby reaffirm the Policy.

*Section 15. Severability.* If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

*Section 16. Repeal.* All resolutions, ordinances or parts thereof in conflict herewith be and the same are hereby repealed and this Ordinance shall be in full force and effect forthwith upon its adoption.

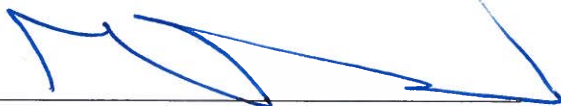
Adopted November 16, 2016.



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President, Board of Park Commissioners

Attest:



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Secretary, Board of Park Commissioners

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

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

Upon the roll being called, the following Park Commissioners voted AYE: \_\_\_\_\_  
Frey, Kelly, Mee, Schobel, Vires, Morrill

The following Park Commissioners voted NAY: None

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

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

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



Secretary, Board of Park Commissioners

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF DUPAGE        )

**CERTIFICATION OF MINUTES AND ORDINANCE**

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

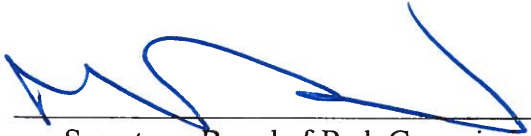
I further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Board held on the 16th day of November, 2016, insofar as the same relates to the adoption of Ordinance No. 2016-06 entitled:

AN ORDINANCE providing for the issue of \$1,615,815 General Obligation Limited Tax Park Bonds, Series 2016, of the Wheaton Park District, DuPage County, Illinois, for the payment of land condemned or purchased for parks, for the building, maintaining, improving and protecting of the same and the existing land and facilities of said Park District, for the payment of outstanding bonds of said Park District, providing for the levy of a direct annual tax to pay the principal and interest on said bonds and authorizing the sale of said bonds to Wheaton Bank & Trust Company.

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

I do further certify that the deliberations of the Board on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 48 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 48-hour period preceding said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Park District Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of said Park District, this 16th day of November, 2016.



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Secretary, Board of Park Commissioners

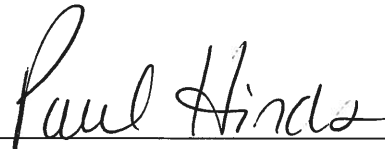
(SEAL)

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF DUPAGE        )

**2015 VALUATION CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of DuPage, Illinois (the "*County*"), and as such official I do further certify that the equalized assessed value of all taxable real property located in the County included within the boundaries of the Wheaton Park District, DuPage County, Illinois, as of the date of this certificate, is the sum of \$ 2,080,541,800, as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2015, all as appears from the books of assessment of the County now in my possession.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 28th day of November, 2016.



\_\_\_\_\_  
County Clerk of The County of  
DuPage, Illinois

(SEAL)

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF DUPAGE    )


**FILING CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of DuPage, Illinois, and as such official I do further certify that on the 28<sup>th</sup> day of November, 2016, there was filed in my office a duly certified copy of Ordinance No. 2016-06 entitled:

AN ORDINANCE providing for the issue of \$1,615,815 General Obligation Limited Tax Park Bonds, Series 2016, of the Wheaton Park District, DuPage County, Illinois, for the payment of land condemned or purchased for parks, for the building, maintaining, improving and protecting of the same and the existing land and facilities of said Park District, for the payment of outstanding bonds of said Park District, providing for the levy of a direct annual tax to pay the principal and interest on said bonds and authorizing the sale of said bonds to Wheaton Bank & Trust Company.

duly adopted by the Board of Park Commissioners of the Wheaton Park District, DuPage County, Illinois, on the 16th day of November, 2016, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this 28<sup>th</sup> day of November, 2016.

  
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County Clerk of The County of DuPage, Illinois

(SEAL)