

ORDINANCE NO. 16-17-04

AN ORDINANCE authorizing and providing for an Installment Purchase Agreement for the purpose of paying the cost of purchasing real or personal property, or both, in and for the Warrenville Public Library District, DuPage County, Illinois, and for the issue of not to exceed \$2,500,000 Debt Certificates of said Library District evidencing the rights to payment under said Agreement, providing for the security for and means of payment under said Agreement of said Certificates, and authorizing the sale of said Certificates to the purchaser thereof.

* * *

WHEREAS, the Warrenville Public Library District, DuPage County, Illinois (the "*District*"), is a public library district and unit of local government of the State of Illinois (the "*State*") operating, *inter alia*, under and pursuant to the Public Library District Act of 1991 of the State (the "*Library District Act*"), the Local Government Debt Reform Act of the State (the "*Debt Reform Act*"), and in particular, the provisions of Section 17 of the Debt Reform Act, each as supplemented and amended (collectively, the "*Installment Purchase Provisions*"); and

WHEREAS, The Board of Library Trustees of the District (the "*Board*") has considered the needs of the District and, in so doing, the Board has deemed and does now deem it advisable, necessary, and for the best interests of the District to alter, repair, remodel, improve and equip the Warrenville Public Library Building, including, in connection with said work, acquisition of all land or rights in land, mechanical, electrical, and other services necessary, useful, or advisable thereto (the "*Project*"), all as shown on preliminary plans and cost estimates on file with and approved by the Board; and

WHEREAS, the Board has determined the total cost of the Project and expenses incidental thereto, including financial, legal, architectural, and engineering services related to such work and to the Agreement hereinafter provided for in this Ordinance to be not less than \$2,500,000,

plus estimated investment earnings which may be received on said sum prior to disbursement;
and

WHEREAS, sufficient funds of the District are not available to pay the costs of the Project, and it will, therefore, be necessary to borrow money in an amount not to exceed \$2,500,000 for the purpose of paying such costs; and

WHEREAS, pursuant to the Installment Purchase Provisions, the District has the power to purchase real or personal property through agreements that provide that the consideration for the purchase may be paid through installments made at stated intervals for a period of no more than 20 years, to sell, convey and reacquire either real or personal property upon any terms and conditions and in any manner as the Board shall determine, if the District will lease, acquire by purchase agreement, or otherwise reacquire the property as authorized by applicable law and to issue certificates evidencing indebtedness incurred under such agreements; and

WHEREAS, the Board finds that it is desirable and in the best interests of the District to avail of the provisions of the Installment Purchase Provisions to authorize an Installment Purchase Agreement (the "*Agreement*"); name as counter-party to the Agreement the Treasurer of the Board (the "*Treasurer*"), as nominee-seller; authorize the President and Secretary of the Board to execute and attest, respectively, the Agreement on behalf of the District and to file same with said Secretary in his or her capacity as keeper of the records and files of the District; and issue certificates evidencing the indebtedness incurred under the Agreement in an amount not to exceed \$2,500,000:

NOW, THEREFORE, Be It Ordained by The Board of Library Trustees of the Warrenville Public Library 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 necessary and advisable for the residents of the District to pay the costs of the Project and to borrow money and, in evidence thereof and for the purpose of financing same, enter into the Agreement and, further, to provide for the issuance and delivery of certificates evidencing the indebtedness incurred under the Agreement.

Section 3. Agreement is a General Obligation; Annual Appropriation. The District hereby represents, warrants, and agrees that the obligation to make the payments due under the Agreement shall be a lawful direct general obligation of the District payable from the corporate funds of the District and such other sources of payment as are otherwise lawfully available. The District represents and warrants that the total amount due under the Agreement, together with all other indebtedness of the District, is within all statutory and constitutional debt limitations. For the purpose of providing the funds necessary to pay the installments of interest and principal due under the Agreement, the District irrevocably agrees to appropriate funds of the District annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Agreement.

Section 4. Execution and Filing of the Agreement. From and after the effective date of this Ordinance, the President and Secretary of the Board be and they are hereby authorized and directed to execute and attest, respectively, the Agreement, in substantially the form set forth in Section 5 of this Ordinance, and to do all things necessary and essential to effectuate the provisions of the Agreement, including the execution of any documents and certificates incidental thereto or necessary to carry out the provisions thereof. Further, as nominee-seller, the Treasurer is hereby authorized and directed to execute the Agreement. Upon full execution, the original of the Agreement shall be filed with the Secretary of the Board and retained in the

District records and shall constitute authority for the issuance of the Certificates hereinafter authorized.

Section 5. Form of the Agreement. The Agreement shall be in substantially the form as follows:

INSTALLMENT PURCHASE AGREEMENT for the purchase of real or personal property, or both, in and for the Warrenville Public Library District, DuPage County, Illinois.

* * *

THIS INSTALLMENT PURCHASE AGREEMENT (this "*Agreement*") dated as of the ____ day of _____, 20__, by and between the Treasurer of the Board (as hereinafter defined), as Nominee-Seller (the "*Seller*"), and the Warrenville Public Library District, DuPage County, Illinois, a public library district and unit of local government of the State of Illinois (the "*District*");

WITNESSETH

A. The Board of Library Trustees (the "*Board*") of the District has determined to alter, repair, remodel, improve and equip the Warrenville Public Library Building (the "*Project*"), all as shown on plans previously approved by the Board and on file with the Secretary of the Board.

B. Pursuant to the provisions of the Public Library District Act of 1991 of the State of Illinois, as amended (the "*Library District Act*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and, in particular, the provisions of Section 17 of the Debt Reform Act (the "*Installment Purchase Provisions*"); in each case, as supplemented and amended (collectively, "*Applicable Law*"); the District has the power to purchase real or personal property, or both, through agreements that provide that the consideration for the purchase may be paid through installments made at stated intervals for a period of no more than 20 years, to sell, convey and reacquire either real or personal property upon any terms and conditions and in any manner as the Board shall determine, if the District will lease, acquire by purchase agreement, or otherwise reacquire the property as authorized by applicable law and to issue certificates evidencing indebtedness incurred under such agreements.

C. On the 21st day of September, 2016, the Board, pursuant to Applicable Law and the need to provide for the Project, adopted an ordinance (the "*Ordinance*") authorizing the borrowing of money for the Project, the execution and delivery of this Agreement to finance same, and the issuance of certificates evidencing the indebtedness so incurred.

D. The Ordinance is

- (a) incorporated herein by reference; and
- (b) made a part hereof as if set out at this place in full;

and each of the terms as defined in the Ordinance is also incorporated by reference for use in this Agreement.

E. The Seller, as nominee as expressly permitted by the Installment Purchase Provisions, has agreed to make, construct, acquire and equip the Project on the terms as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, it is mutually agreed between the Seller and the District as follows:

1. MAKE AND ACQUIRE PROJECT

The Seller agrees to make, construct, acquire and equip the Project upon real estate owned or to be owned by or upon which valid easements have been obtained in favor of the District.

2. CONVEYANCE

The District conveys to the Seller any portion of the Project heretofore acquired by the District and to be paid from proceeds of the Certificates (as defined in the Ordinance). The Seller agrees to convey each part of the Project to the District and to perform all necessary work and convey all necessary equipment; and the District agrees to purchase the Project from the

Seller and pay for the Project the purchase price of \$_____, plus the amount of investment earnings which are earned on the amount deposited with the Treasurer of the Board from the sale of the Certificates and in no event shall the total aggregate principal purchase price to be paid pursuant to this Agreement exceed the sum of \$_____, plus the amount of investment earnings which are earned on the amount deposited with the Treasurer of the Board from the sale of the Certificates.

3. PAYMENTS

The payment of the entire sum of \$_____ of said purchase price shall:

- (a) be payable in installments due on the dates and in the amounts;
 - (b) bear interest at the rates percent per annum which interest shall also be payable on the dates and in the amounts;
 - (c) be payable at the place or places of payment, in the medium of payment, and upon such other terms, including prepayment (redemption);
- all as provided for payment of the Certificates in the Ordinance.

4. ASSIGNMENT

Rights to payment of the Seller as provided in this Agreement are assigned as a matter of law under the Installment Purchase Provisions to the owners of the Certificates. This Agreement and any right, title, or interest herein, shall not be further assignable. The Certificates, evidencing the indebtedness incurred hereby, are assignable (registrable) as provided in the Ordinance.

5. TAX COVENANTS

The covenants relating to the tax-exempt status of the Certificates, as set forth in the Ordinance, insofar as may be applicable, apply to the work to be performed and the payments made under this Agreement.

6. TITLE

(a) *Vesting of Title.* Title in and to any part of the Project, upon delivery or as made, during all stages of the making or acquisition thereof, shall and does vest immediately in the District.

(b) *Damage, Destruction, and Condemnation.* If, during the term of this Agreement, (i) all or any part of the Project shall be destroyed, in whole or in part, or damaged by fire or other casualty or event; or (ii) title to, or the temporary or permanent use of, all or any part of the Project shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority; or (iii) a material defect in construction of all or any part of the Project shall become apparent; or (iv) title to or the use of all or any part of the Project shall be lost by reason of a defect in title; then the District shall continue to make payments as promised herein and in the Certificates and to take such action as it shall deem necessary or appropriate to repair and replace the Project.

7. LAWFUL CORPORATE OBLIGATION

The District hereby represents, warrants, and agrees that the obligation to make the payments due hereunder shall be a lawful direct general obligation of the District payable from the corporate funds of the District and such other sources of payment as are otherwise lawfully available. The District represents and warrants that the total amount due the Seller hereunder, together with all other indebtedness of the District, is within all statutory and constitutional debt limitations. For the purpose of providing the funds necessary to pay the installments of interest and principal due under this Agreement, the District irrevocably agrees to appropriate funds of the District annually and in a timely manner so as to provide for the making of all payments when due under the terms of this Agreement.

8. GENERAL COVENANT AND RECITAL

It is hereby certified and recited by the Seller and the District, respectively, that as to each, respectively, for itself, all conditions, acts, and things required by law to exist or to be done precedent to and in the execution of this Agreement did exist, have happened, been done and performed in regular and due form and time as required by law.

9. NO SEPARATE TAX

THE SELLER AND THE DISTRICT RECOGNIZE THAT THERE IS NO STATUTORY AUTHORITY FOR THE LEVY OF A SEPARATE TAX IN ADDITION TO OTHER TAXES OF THE DISTRICT OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY ANY OF THE AMOUNTS DUE HEREUNDER.

10. DEFAULT

In the event of a default in payment hereunder by the District, the Seller or any Certificateholder may pursue any available remedy by suit at law or equity to enforce the payment of all amounts due or to become due under this Agreement, including, without limitation, an action for specific performance.

IN WITNESS WHEREOF, the Seller has caused this Installment Purchase Agreement to be executed, and his or her signature to be attested by the Secretary of the Board, and the District has caused this Installment Purchase Agreement to be executed by the President of the Board, and also attested by the Secretary of the Board, and the official seal of the District to be hereunto affixed, all as of the day and year first above written.

SELLER:

Signature: _____

[Here type name]: Sandy Lezon
as Nominee-Seller and Treasurer, The Board of
Library Trustees

ATTEST:

Secretary, The Board of Library Trustees

WARRENVILLE PUBLIC LIBRARY DISTRICT,
DuPAGE COUNTY, ILLINOIS

President, The Board of Library Trustees

ATTEST:

Secretary, The Board of Library Trustees

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

CERTIFICATE OF INSTALLMENT PURCHASE AGREEMENT FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of The Board of Library Trustees (the "*Board*") of the Warrenville Public Library District, DuPage County, Illinois (the "*District*"), and as such officer I do hereby certify that on the ____ day of _____, 20__, there was filed in my office a properly certified copy of that certain document, executed by the President of the Board, attested by me in my capacity as Secretary of the Board, and further executed, as Nominee-Seller, by the Treasurer of the Board, also attested by me, dated as of the ____ day of _____, 20__, and entitled "INSTALLMENT PURCHASE AGREEMENT for the purchase of real or personal property, or both, in and for the Warrenville Public Library District, DuPage County, Illinois"; and supporting the issuance of certain Debt Certificates, Series 20__, of the District; that attached hereto is a true and complete copy of said Agreement as so filed; 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 the District, this ____ day of _____, 20__.

Secretary, The Board of Library Trustees

(SEAL)

Section 6. Certificate Details. For the purpose of providing for the Project, there shall be issued and sold certificates in the principal amount of not to exceed \$2,500,000, which shall be designated the “Debt Certificates” with such series designation as may be appropriate and set forth in the Certificate Notification (as hereinafter defined) (the “*Certificates*”). The Certificates shall be dated such date (not prior to October 1, 2016, and not later than April 1, 2017) as set forth in the Certificate Notification, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$100,000 each or integral multiples of \$5,000 in excess thereof (unless otherwise set forth in the Certificate Notification) (but no single Certificate shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Certificates shall become due and payable serially or be subject to mandatory redemption (subject to option of prior redemption as hereinafter described) on December 1 of each of the years (not later than 2030), in the principal amounts (not exceeding \$200,000 per year) and bearing interest at the rates per annum (not exceeding 5.0% per annum) as set forth in the Certificate Notification. The Certificates shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Certificates is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semi-annually commencing with the first interest payment date as set forth in the Certificate Notification, and on June 1 and December 1 of each year thereafter to maturity.

Interest on each Certificate shall be paid by check or draft of the certificate registrar and paying agent (which shall be the Treasurer, the hereinafter-defined Purchaser or a bank or trust company with an office located in the United States of America) as set forth in the Certificate Notification (the “*Certificate Registrar*”), payable upon presentation in lawful money of the United States of America, to the person in whose name such Certificate is registered at the close

of business on the 15th day of the month next preceding the interest payment date. The principal of the Certificates shall be payable in lawful money of the United States of America at the principal office or principal corporate trust office (the "*Principal Office*") of the Certificate Registrar.

The Certificates shall be signed by the manual or facsimile signature of the President of the Board and attested by the manual or facsimile signature of the Secretary of the Board, as they shall determine, and shall have impressed or imprinted thereon the corporate seal of the District. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Certificates shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Certificate Registrar as authenticating agent of the District and showing the date of authentication. No Certificate 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 Certificate Registrar by manual signature, and such certificate of authentication upon any such Certificate shall be conclusive evidence that such Certificate has been authenticated and delivered under this Ordinance. The certificate of authentication on any Certificate shall be deemed to have been executed by the Certificate Registrar if signed by an authorized officer of the Certificate Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Certificates issued hereunder.

Section 7. Registration of Certificates; Persons Treated as Owners. (a) General. The District shall cause books (the "*Certificate Register*") for the registration and for the transfer of the Certificates as provided in this Ordinance to be kept at the Principal Office of the Certificate

Registrar, which is hereby constituted and appointed the registrar of the District. The District is authorized to prepare, and the Certificate Registrar shall keep custody of, multiple Certificate blanks executed by the District for use in the transfer and exchange of Certificates.

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

The Certificate Registrar shall not be required to transfer or exchange any Certificate during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Certificate and ending at the opening of business on such interest payment date, nor to transfer or exchange any Certificate after notice calling such Certificate for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Certificates.

The person in whose name any Certificate 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 Certificate shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Certificates, but the District or the Certificate 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 Certificates except in the case of the issuance of a Certificate or Certificates for the unredeemed portion of a Certificate surrendered for redemption.

(b) *Global Book-Entry System.* The Certificates shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities of the Certificates determined as described in Section 6 hereof. Upon initial issuance, the ownership of each such Certificate may be registered in the Certificate Register in the name of Cede & Co., or any successor thereto ("*Cede*"), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns ("*DTC*"). In such event, all of the outstanding Certificates shall be registered in the Certificate Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The President and Secretary of the Board, the Library Director of the District and the Certificate Registrar are each authorized to execute and deliver, on behalf of the District, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "*Representation Letter*"), which Representation Letter may provide for the payment of principal of or interest on the Certificates by wire transfer.

With respect to Certificates registered in the Certificate Register in the name of Cede, as nominee of DTC, the District and the Certificate Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Certificates from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “*DTC Participant*”) or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the District and the Certificate Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Certificate as shown in the Certificate Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Certificate as shown in the Certificate Register, of any amount with respect to the principal of or interest on the Certificates. The District and the Certificate Registrar may treat and consider the person in whose name each Certificate is registered in the Certificate Register as the holder and absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Certificate Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the respective registered owners of the Certificates, as shown in the Certificate Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District’s obligations with respect to payment of the principal of and interest on the Certificates to the extent of the sum or sums so paid. No person

other than a registered owner of a Certificate as shown in the Certificate Register, shall receive a Certificate evidencing the obligation of the District to make payments of principal and interest with respect to any Certificate. Upon delivery by DTC to the Certificate Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 6 hereof with respect to the payment of interest to the registered owners of Certificates at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name "Cede" in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the District determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the District, the Certificate Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the District determines that it is in the best interests of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the District shall notify DTC and DTC Participants of the availability through DTC of certificated Certificates and the Certificates shall no longer be restricted to being registered in the Certificate Register in the name of Cede, as nominee of DTC. At that time, the District may determine that the Certificates shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the District, or such depository's agent or designee, and if the District does not select such alternate universal book-entry system, then the Certificates may be registered in whatever name or names registered owners of Certificates transferring or exchanging Certificates shall designate, in accordance with the provisions of Section 7(a) hereof.

Notwithstanding any other provisions of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede, as nominee of DTC, all payments with respect to

principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the name provided in the Representation Letter.

Section 8. Redemption. (a) *Optional Redemption.* All or a portion of the Certificates due on and after the date, if any, specified in the Certificate Notification shall be subject to redemption prior to maturity at the option of the District from any available funds, as a whole or in part, and if in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Certificates of a single maturity to be selected by the Certificate Registrar), on the date specified in the Certificate Notification (but not earlier than December 1, 2024), and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

(b) *Mandatory Redemption.* The Certificates maturing on the date or dates, if any, indicated in the Certificate Notification are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Certificate Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years, if any, and in the principal amounts, if any, as indicated in the Certificate Notification.

The principal amounts of Certificates to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Certificates credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the District may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Certificate Registrar may, and if directed by the Board shall, purchase Certificates required to be retired on such mandatory redemption date. Any such Certificates so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

(c) *General.* The Certificates shall be redeemed only in the principal amount of \$5,000 and integral multiples thereof. The District shall, at least forty-five (45) days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Certificate Registrar) notify the Certificate Registrar of such redemption date and of the principal amount and maturity or maturities of Certificates to be redeemed. For purposes of any redemption of less than all of the outstanding Certificates of a single maturity, the particular Certificates or portions of Certificates to be redeemed shall be selected by lot by the Certificate Registrar from the Certificates of such maturity by such method of lottery as the Certificate Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Certificates or portions thereof so that any \$5,000 Certificate or \$5,000 portion of a Certificate shall be as likely to be called for redemption as any other such \$5,000 Certificate or \$5,000 portion. The Certificate Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Certificates to be redeemed or the time of the giving of official notice of redemption.

The Certificate Registrar shall promptly notify the District in writing of the Certificates or portions of Certificates selected for redemption and, in the case of any Certificate selected for partial redemption, the principal amount thereof to be redeemed.

Section 9. Redemption Procedure. Unless waived by any holder of Certificates to be redeemed, notice of the call for any such redemption shall be given by the Certificate Registrar on behalf of the District by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate Register or at such other address as is furnished in writing by such registered owner to the Certificate Registrar.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Certificates are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Certificates to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Certificate or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) the place where such Certificates are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Certificate Registrar, and
- (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Certificates to be redeemed at the option of the District shall have been received by the Certificate Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption shall be conditional upon the receipt of such moneys by the Certificate Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Certificates, and the Certificate Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Certificates will not be redeemed. Otherwise, prior to any redemption date, the District shall deposit with the Certificate Registrar an amount of money sufficient to pay the redemption price of all the Certificates or portions of Certificates which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Certificates or portions of Certificates so to be

redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Certificates or portions of Certificates shall cease to bear interest. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates shall be paid by the Certificate Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Certificate, there shall be prepared for the registered holder a new Certificate or Certificates of the same maturity in the amount of the unpaid principal.

If any Certificate or portion of Certificate called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Certificate or portion of Certificate so called for redemption. All Certificates which have been redeemed shall be cancelled and destroyed by the Certificate Registrar and shall not be reissued.

Section 10. Form of Certificate. The Certificates shall be in substantially the following form; *provided, however*, that if the text of the Certificate is to be printed in its entirety on the front side of the Certificate, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraph [6] and the paragraphs thereafter as may be appropriate shall be inserted immediately after paragraph [1]:

[Form of Certificate - Front Side]

REGISTERED
No. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF DUPAGE

WARRENVILLE PUBLIC LIBRARY DISTRICT

DEBT CERTIFICATE, SERIES 20__

See Reverse Side for
Additional Provisions

Interest Maturity Dated
Rate: ____% Date: December 1, 20__ Date: _____, 20__ [CUSIP ____]

Registered Owner: [CEDE & CO.]

Principal Amount:

[1] KNOW ALL MEN BY THESE PRESENTS, that the Warrenville Public Library District, DuPage County, Illinois (the "*District*"), hereby acknowledges itself to owe and for value received promises to pay from the source and as hereinafter provided 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 Certificate or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on June 1 and December 1 of each year, commencing _____ 1, 20__, until said Principal Amount is paid. Principal of this Certificate is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal [corporate trust] office of _____, _____, _____, as certificate registrar and paying agent (the "*Certificate 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 Certificate Registrar at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Certificate 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 Certificate Registrar.

[2] Reference is hereby made to the further provisions of this Certificate 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 Certificate did exist, have happened, and been done and performed in regular and due form and time as required by law; that the obligation to make payments due hereon is a lawful direct general obligation of the District payable from the corporate funds of the District and such other sources of payment as are otherwise lawfully available; that the total amount due under the Agreement, represented by the Certificates, together with all other indebtedness of the District, is within all statutory and constitutional debt limitations; and that the District shall appropriate funds annually and in a timely manner so as to provide for the making of all payments hereon when due. THE OWNER OF THIS CERTIFICATE ACKNOWLEDGES THAT THERE IS NO STATUTORY AUTHORITY FOR THE LEVY OF A SEPARATE TAX IN ADDITION TO OTHER TAXES OF THE DISTRICT OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY ANY OF THE AMOUNTS DUE HEREUNDER.

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

[5] IN WITNESS WHEREOF, the Warrenville Public Library District, DuPage County, Illinois, by The Board of Library Trustees, has caused this Certificate to be executed by the manual or duly authorized facsimile signature of the President of The Board of Library Trustees and attested by the manual or duly authorized facsimile signature of the Secretary of The Board of Library Trustees and its corporate seal to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

SPECIMEN

President, The Board of Library Trustees

ATTEST:

SPECIMEN

Secretary, The Board of Library Trustees

(SEAL)

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

Certificate Registrar and Paying Agent:

_____, _____

This Certificate is one of the Certificates described in the within mentioned ordinance and is one of the Debt Certificates, Series 20__, of the Warrenville Public Library District, DuPage County, Illinois.

as Certificate Registrar

By _____
SPECIMEN
Authorized Officer

[Form of Certificate - Reverse Side]

WARRENVILLE PUBLIC LIBRARY DISTRICT

DUPAGE COUNTY, ILLINOIS

DEBT CERTIFICATE, SERIES 20__

[6] This Certificate and the series of which it is a part are issued by the District to alter, repair, remodel, improve and equip the Warrenville Public Library Building, all as described in the ordinance authorizing the Certificates (the "*Ordinance*"), pursuant to and in all respects in compliance with the applicable provisions of the Public Library District Act of 1991 of the State of Illinois, as supplemented and amended, and in particular as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended, and the other Omnibus Bond Acts of the State of Illinois ("*Applicable Law*"), and with the Ordinance, which has been duly adopted by The Board of Library Trustees of the District on the 21st day of September, 2016, in all respects as by law required. The Certificates have been issued in evidence of the indebtedness incurred pursuant to a certain Installment Purchase Agreement (the "*Agreement*"), dated as of the ____ day of _____, 20__, entered into by and between the District and the Treasurer of The Board of Library Trustees, as Seller-Nominee, to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the holder by the acceptance of this certificate assents.

[7] [Optional and Mandatory Redemption provisions, as applicable, will be inserted here].

[8] [Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Certificate to be redeemed at the address shown on the registration books of the District maintained by the Certificate Registrar or at such other address as is furnished in writing

by such registered owner to the Certificate Registrar. When so called for redemption, this Certificate will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.]

[9] This Certificate is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal [corporate trust] office of the Certificate Registrar in _____, _____, 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 Certificate. Upon such transfer a new Certificate or Certificates of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[10] The Certificates are issued in fully registered form in the denomination of [\$100,000 each or authorized integral multiples of \$5,000 in excess thereof]. This Certificate may be exchanged at the principal [corporate trust] office of the Certificate Registrar for a like aggregate principal amount of Certificates of the same maturity of other authorized denominations, upon the terms set forth in the authorizing ordinance. The Certificate Registrar shall not be required to transfer or exchange any Certificate during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Certificate and ending at the opening of business on such interest payment date[, nor to transfer or exchange any Certificate after notice calling such Certificate for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Certificates].

[11] The District and the Certificate 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 Certificate 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 Certificate and does hereby irrevocably constitute and appoint _____

as attorney to transfer the said Certificate 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 Certificate in every particular, without alteration or enlargement or any change whatever.

Section 11. Sale of the Certificates. Any two of the President, Vice-President and Treasurer of the Board and Library Director of the District, at least one of whom shall be an elected officer (the "*Designated Representatives*"), are hereby authorized to proceed not later than the 21st day of March, 2017, without any further authorization or direction from the Board, to sell the Certificates upon the terms as prescribed in this Ordinance. The Certificates hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of the Certificate Notification as may be, and thereupon be deposited with the Treasurer, and, after authentication thereof by the Certificate Registrar, be by the Treasurer delivered to the hereinafter-defined Purchaser, upon receipt of the purchase price therefor, the same being not

less than 98% of the principal amount of the Certificates plus accrued interest, if any, to date of delivery.

The Purchaser shall be one of (a) the best bidder for the Certificates at a competitive sale conducted by Ehlers & Associates, Inc., Chicago, Illinois ("*Ehlers*"), (b) a bank or financial institution (i) authorized to do business in the State of Illinois or (ii) listed in the Dealers & Underwriters or Municipal Derivatives sections of the most recent edition of The Bond Buyer's Municipal Marketplace, (c) a governmental unit as defined in the Debt Reform Act or (d) an "accredited investor" as defined in Rule 501 of Regulation D as promulgated under the Securities Act of 1933, as amended; *provided, however* that the Purchaser as set forth in either (b), (c) or (d) shall only be selected upon receipt by the District of the written recommendation of Ehlers that the sale of the Certificates on a negotiated or private placement basis to the Purchaser is in the best interests of the District because of (i) the pricing of the Certificates by the Purchaser, (ii) then current market conditions or (iii) the timing of the sale of the Certificates.

Prior to the sale of the Certificates, the President of the Board or the Library Director or business official of the District is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure the Certificates, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on the Certificates treating the fee paid as interest on the Certificates) is less than the present value of the interest reasonably expected to be saved on the Certificates over the term of the Certificates as a result of the Municipal Bond Insurance Policy.

Upon the sale of the Certificates, the Designated Representatives shall prepare a Notification of Sale of the Certificates, which shall include the pertinent details of sale as provided herein (the "*Certificate Notification*"). In the Certificate Notification, the Designated

Representatives shall find and determine that the Certificates have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Certificates does not exceed the maximum rate otherwise authorized by applicable law. The Certificate Notification shall be entered into the records of the District and made available to the Board at the next regular meeting thereof; but such action shall be for information purposes only, and the Board shall have no right or authority at such time to approve or reject such sale as evidenced in the Certificate Notification.

Upon the sale of the Certificates, as evidenced by the execution and delivery of the Certificate Notification by the Designated Representatives, the President and Secretary of the Board and the Treasurer, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Certificates as may be necessary, including, without limitation, the contract for the sale of the Certificates between the District and the Purchaser (the "*Purchase Contract*"). Prior to the execution and delivery of the Purchase Contract, the Designated Representatives shall find and determine that no person holding any office of the District either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The use by the Purchaser of any Preliminary Official Statement and final Official Statement relating to the Certificates, and the use by the District of the Term Sheet relating to the Certificates, in substantially the form now before the Board (together, the "*Official Statement*") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Board are hereby authorized to take any action as may be required on the part of the District to consummate the transactions contemplated by the

Purchase Contract, this Ordinance, said Preliminary Official Statement, the Official Statement and the Certificates.

Section 12. Use of Certificate Proceeds. Accrued interest, if any, received on the delivery of the Certificates is hereby appropriated for the purpose of paying first interest due on the Certificates, and is hereby ordered deposited into the “Debt Certificate Fund of 20__” (the “*Certificate Fund*”), which shall be the fund for the payment of the principal of and interest on the Certificates. Funds lawfully available for the purpose of paying the principal of and interest on the Certificates shall be deposited into the Certificate Fund and used solely and only for such purpose.

The principal proceeds of the Certificates and any premium received on the delivery of the Certificates are hereby appropriated to pay the costs of issuance of the Certificates and for the purpose of paying the cost of the Project, and that portion thereof not needed to pay such costs of issuance is hereby ordered deposited into the “Capital Improvement Account of the District” (the “*Project Fund*”), hereby created. It is hereby found and determined and hereby declared and set forth that the Board (i) has not entered into an agreement of any kind with any entity, party or person (including, but not limited to, the Purchaser) to not expend the proceeds of the Certificates deposited into the Project Fund for any period of time and (ii) is not required by any contract, decree, instrument, order, regulation or ruling, to not expend the proceeds of the Certificates deposited into the Project Fund for any period of time. Moneys in the Project Fund shall be used to pay costs of the Project in accordance with the following procedures:

1. Contracts (“*Work Contracts*”) have been or shall be awarded, from time to time, by the Board for the work on the Project; and the Board represents and covenants that each Work Contract has been or will be let in strict accordance with the applicable laws of the State of Illinois, and the rules and procedures of the District for same.

2. Pursuant to this Ordinance or subsequent ordinance or ordinances to be duly adopted, the Board shall identify all or a designated portion of each Work Contract to the Agreement. The Work Contracts attached hereto as *Exhibit 1* are hereby identified to the Agreement. This Ordinance, any such further ordinance and said Work Contracts shall be filed of record with the Secretary of the Board and the Treasurer. The adoption and filing of any such ordinance or ordinances and the Work Contracts with such officers shall constitute authority for the Treasurer to make disbursements from the Project Fund to pay amounts due under such Work Contracts from time to time, upon such further ordinances, resolutions, orders, vouchers, warrants, or other proceedings as are required under the applicable laws of the State of Illinois, and the rules and procedures of the District for same. No action need be taken by or with respect to the contractors under the Work Contracts as, pursuant to the Installment Purchase Provisions, the Treasurer acts as Nominee-Seller of the Project for all purposes, enabling the issuance of the Certificates.

Alternatively to the creation of the funds described above, the appropriate officers may allocate the funds to be deposited into the Certificate Fund or proceeds of the Certificates to one or more related funds of the District already in existence and in accordance with good accounting practice; *provided, however*, that this shall not relieve such officers of the duty to account and invest such funds and the proceeds of the Certificates, as herein provided, as if the funds described above had in fact been created. At the time of the issuance of the Certificates, the costs of issuance of the Certificates may be paid by the Purchaser on behalf of the District from the proceeds of the Certificates.

Section 13. Non-Arbitrage and Tax-Exemption. One purpose of this Section is to set forth various facts regarding the Certificates and to establish the expectations of the Board and the District as to future events regarding the Certificates and the use of Certificate proceeds. The

certifications, covenants and representations contained herein (except for paragraph 7.10) 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 Certificates. 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 Certificates) if taking, permitting or omitting to take such action would cause any of the Certificates 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 Certificates 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 Certificates, under present rules, the District may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination. The Board and the District certify, covenant and represent as follows:

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

“*Affiliated Person*” means a Person that is affiliated with another Person (including the District) because either (a) at any time during the six months prior to the execution and delivery of the Certificates, more than five percent of the voting power of the governing body of either Person is in the aggregate vested in the other Person and its directors, officers, owners, and employees, or (b) during the one-year period beginning six months prior to the execution and delivery of the Certificates, the composition of the governing body of the Person (or any Person that controls the Person) is modified or established to reflect (directly or indirectly) representation of the interests of the other 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 Certificates.

“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. A Controlled Group includes 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 Certificates, including underwriters’ discount and legal fees, but not including the fees for the Credit Facility described in paragraph 5.5 hereof.

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

“Credit Facility Provider” means the insurance company, if any, insuring the payment of all or a portion of the principal of and interest on the Certificates.

“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 Certificates 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 Certificate Fund and the Project Fund.

“Issue Price” of any group of substantially identical Certificates or of any other obligations issued for money or marketable securities is the price at which the obligations of that group are first offered for sale to the public (not including any bond houses, brokers, or persons acting in the capacity of underwriters, or wholesalers) so long as on the date that the District (or other entity issuing such obligations) sold such obligations, it was reasonably expected that at least 10% of each group of substantially identical bonds would be sold for such offering price. The *“Issue Price”* of any group of substantially identical obligations sold by the District to an investor that expects to hold the obligations as an investor to maturity is the market price paid by such investor. The *“Issue Price”* of any obligations issued for property other than cash or marketable securities is determined under appropriate regulations.

“Person” means and includes any individual, body politic, governmental unit, agency or authority, trust, estate, partnership, association, company, corporation, joint-stock company, syndicate, group, pool, joint venture, other unincorporated organization or group, 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.

“Private Business Use” means any use of the Project by any Person (including the federal government) other than a state or local governmental 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 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 (i) that conveys special legal entitlements to any portion of the Project, or (ii) under

which any Person other than a state or local governmental unit has any special economic benefit with respect to any portion of the Project that is not available for use by the general public.

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

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

“Rebate Fund” means the fund, if any, identified and defined in paragraph 4.1 herein.

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

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

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

“Sale Proceeds” means amounts actually or constructively received from the sale of the Certificates, including (a) amounts used to pay underwriter’s discount or compensation, (b) 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 (c) amounts derived from the sale of any right that is part of the terms of a Certificate or is otherwise associated with a Certificate (e.g., a redemption right).

“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 produces an amount equal to the obligation’s purchase price (or in the case of the Certificates, the Issue Price as established in Section 5.1), including accrued interest. For purposes of

computing the Yield on the Certificates and on investments, the same compounding interval (which must be an interval of not more than one year) and standard financial conventions (such as a 360-day year) must be used.

"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 Certificates.* The Certificates are being issued to finance the Project in a prudent manner consistent with the revenue needs of the District. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Ordinance. Except for any accrued interest on the Certificates used to pay first interest due on the Certificates, no proceeds of the Certificates will be used more than 30 days after the date of issue of the Certificates 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 Sale Proceeds 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 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 Certificates 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 other than the following:

- (a) working capital expenditures directly related to Capital Expenditures financed by the Certificates, in an amount not to exceed five percent of the Sale Proceeds;

(b) payments of interest on the Certificates 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;

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

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

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

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

(g) fees for the Credit Facility.

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. 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 (other than as reimbursement permitted by paragraph 2.3 or as a result of investment earnings commingling under paragraph 2.4(f)) 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 otherwise 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 Certificates 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 Certificate Proceeds.* Not more than 50% of the Sale Proceeds 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 Certificates 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 Certificates.

It is expected that the Sale Proceeds deposited into the Project Fund, plus investment earnings on the Project Fund, will be spent to pay costs of the Project, including any capitalized interest on the Certificates, in accordance with the estimated drawdown schedule contained in the Exhibit, the investment earnings on the Certificate Fund will be spent to pay interest on the Certificates, or to the extent permitted by law, investment earnings on amounts in the Project Fund and the Certificate Fund may 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 Certificate 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 Certificates. The District acknowledges that any such hedge could affect, among other things, the calculation of Certificate Yield under the Regulations. The IRS could recalculate Certificate Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction. The District acknowledges that if it wishes to take any such hedge into account in determining Certificate Yield, various requirements under the Regulations, including prompt identification of the hedge with the Certificates on the District's books and records, need to be met.

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 Certificates, and be subject to the fair market purchase price rules, rebate and Yield restriction. The District agrees not to use proceeds of the Certificates 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 Certificateholder, the Credit Facility Provider, or any other credit or liquidity enhancer with respect to the Certificates 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 any 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.

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 more than ninety days prior to the date such goods or services are to be received, except for any payment to the Credit Facility Provider. 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 4.1.

(c) Principal of and interest on the Certificates will be paid from the Certificate Fund.

(d) Costs of Issuance incurred in connection with the issuance of the Certificates 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.

3.2. Purpose of Certificate Fund. The Certificate Fund will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Certificates in each bond year. It is expected that the Certificate 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 Certificate Fund for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Certificates for the immediately preceding bond year.

3.3. No Other Gross Proceeds. (a) Except for the Certificate Fund and the Project Fund, and except for investment earnings that have been commingled as described in paragraph 2.7 and any credit enhancement or liquidity device related to the Certificates, after the issuance of the Certificates, neither the District, any member of the same Controlled Group as the District nor any other Person (other than the Credit Facility Provider) has or will have any property, including cash, securities 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 Certificates (other than the Rebate Fund);

(iii) amounts that have a sufficiently direct nexus to the Certificates or to the governmental purpose of the Certificates to conclude that the amounts would have been used for that governmental purpose if the Certificates 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);

(iv) 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 Certificates 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 Certificates or any obligations under any credit enhancement or liquidity device with respect to the Certificates, even if financial difficulties are encountered;

(v) 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 Certificateholders or any credit enhancement provider, including any liquidity device or negative pledge (e.g., any amount pledged to secure the Certificates held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Certificates or a guarantor of the Certificates); or

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

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

(c) One hundred twenty percent of the average reasonably expected economic life of the Project is at least 15 years. The weighted average maturity of the Certificates does not exceed 15 years and does not exceed 120 percent of the average reasonably expected economic life of the Project. The maturity schedule of the Certificates (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Certificates. 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 Certificates as set forth in paragraph 2.1 hereof.

3.4. *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 Certificates 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 Certificates or the date 60 days after the retirement of the Certificates, 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 Certificates 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 Certificates 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 Certificates. The District will make, or cause to be made, rebate payments with respect to the Certificates in accordance with law.

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 Certificates. Moneys in the Rebate Fund (including earnings and deposits therein) shall be held and used for any required payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Ordinance.

4.2. *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 any 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 ceases to be Gross Proceeds on a date other than the date such investment is sold or is retained after the date the last Certificate is retired, the records required to be kept shall include the fair market value of such investment on the date the last Certificate is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

4.3. *Fair Market Value; Certificates of Deposit and Investment Agreements.* In making investments of Gross Proceeds and any 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. Investments in federally insured deposits or accounts, including certificates of deposit, may not be made except as allowed under paragraph 5.4.

(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 Certificates;

(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 Certificates;

(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 Certificates) 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.

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.

(c) If a GIC is purchased, the District will retain the following records with its bond documents until three years after the Certificates 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.

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 (a) or (b) of this paragraph 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 investment is traded on an established securities market only if at any time during the 31-day period ending 15 days after the purchase date: (i) within a reasonable period of time after the sale, the price for an executed purchase or sale of the investment (or information sufficient to calculate the sales price) appears in a medium that is made available to issuers of debt instruments, persons that regularly purchase or sell debt instruments (including a price provided only to certain customers or to subscribers), or persons that broker purchases or sales of debt instruments; (ii) there are one or more firm quotes for the investment (a firm quote is considered to exist when a price quote is available from at least one broker, dealer, or pricing service (including a price provided only to certain customers or to subscribers) for property and the quoted price is substantially the same as the price for which the person receiving the quoted price could purchase or sell the property; a price quote is considered to be available whether the quote is initiated by a person providing the quote or provided at the request of the person receiving the quote; the identity of the person providing the quote must be reasonably ascertainable for a quote to be considered a firm quote for this purpose; a quote will be considered a firm quote if the quote is designated as a firm quote by the person providing the quote or if market participants typically purchase or sell, as the case may be, at the quoted price, even if the party providing the quote is not legally obligated to purchase or sell at that price); or (iii) there are one or more indicative quotes for the investment (an indicative quote is considered to

exist when a price quote is available from at least one broker, dealer, or pricing service (including a price provided only to certain customers or to subscribers) for property and the price quote is not a firm quote described in the prior clause). However, a maturity of a debt instrument is not treated as traded on an established market if at the time the determination is made the outstanding stated principal amount of the maturity that includes the debt instrument does not exceed \$100,000,000 (or, for a debt instrument denominated in a currency other than the U.S. dollar, the equivalent amount in the currency in which the debt instrument is denominated).

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 4.3.

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 Certificates. The District may contact Bond Counsel if it does not wish to comply with the provisions of this paragraph 4.3.

4.4. Arbitrage Elections. The President and Secretary of the Board and the Treasurer are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

4.5. 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 (not limited to a small number of Persons) 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.

(b) 95% or more of the Sale Proceeds and investment earnings thereon will be used for local governmental activities of the District.

(c) The District is not subject to the Control of any entity, and there are no entities subject to Control of the District that during calendar year 2016 issued or are expected to issue tax-exempt obligations, or any qualified zone academy bonds, qualified school construction bonds, or any other obligations subject to the arbitrage restrictions of Section 148 of the Code of any kind ("*Tax Advantaged Bonds*"). During calendar year 2016, the District has not issued and does not expect to issue tax-exempt obligations or Tax Advantaged Bonds on behalf of any other entity. The District has not borrowed and

does not expect to borrow the proceeds or otherwise use the proceeds of any tax-exempt obligations or Tax Advantaged Bonds issued by another entity during calendar year 2016.

(d) The par amount of the Certificates does not exceed \$5,000,000 and the Issue Price of the Certificates does not exceed \$5,000,000.

(e) In calendar year 2016, no entity has issued and the District does not expect any entity to issue obligations that do not provide a material benefit to that entity and which, but for the size limitations of the small issuer exception of the Rebate Provisions, would have been or would be issued (A) by or on behalf of the District or (B) by any entity subject to Control by the District (including any entity that might hereafter come into existence). The District will receive a substantial benefit from the project financed by the Certificates.

(f) In calendar year 2016, no tax-exempt obligations or tax-advantaged bonds of any kind have been issued or are reasonably expected to be issued (A) by or on behalf of the District or (B) by any entity subject to Control by the District (including any entity that may hereafter come into existence) other than the Bonds.

(g) The District acknowledges that the future issuance of tax-exempt obligations, or tax-advantaged bonds by the District or any entity subject to the Control of the entity or other actions contrary to the expectations of this paragraph 4.5 could cause the proceeds of the Certificates to be subject to the rebate requirement of Section 148(f) of the Code. The District covenants to make all payments of rebate under Section 148(f) of the Code with respect to the Certificates as required.

5.1. *Issue Price.* For purposes of determining the Yield on the Certificates, the purchase price of the Certificates is equal to the first offering price (including accrued interest) at which the Purchaser reasonably expected that at least ten percent of each maturity of the Certificates would be sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The Purchaser has certified that all of the Certificates have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those set forth in the Official Statement and that based upon prevailing market conditions, such prices are not less than the fair market value of each Certificate as of the sale date for the Certificates.

5.2. *Yield Limits.* (a) Except as provided in paragraph (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 Certificates plus, if only amounts in the Project Fund are subject to this Yield limitation, 1/8th of one percent.

(b) The following may be invested without Yield restriction:

(i) amounts qualifying for a temporary period consisting of:

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

(B) amounts on deposit in the Project Fund prior to the earlier of three years after Closing or the date the District no longer expects to spend all such amounts;

(ii) amounts qualifying for other exceptions consisting of:

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

(B) amounts invested in Qualified Tax Exempt Obligations;

(C) amounts in the Rebate Fund;

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

(E) 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. *Federal Guarantees.* Except as otherwise permitted by the Regulations, no portion of the payment of principal of or interest on the Certificates, the Credit Facility or any other 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). This paragraph does not apply 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.

5.4. *Federally Guaranteed Investments.* (a) Certain Gross Proceeds may not be invested in a manner that is considered to create a federal guarantee. The restrictions in this paragraph 5.4 apply to all Gross Proceeds except:

- (i) amounts on deposit in the Project Fund prior to the earlier of three years after Closing or the date the District no longer expects to spend all such amount;

- (ii) amounts on deposit in the Certificate Fund to the extent the Certificate Fund qualifies as a bona fide debt service fund described in paragraph 3.2; and

- (iii) amounts in the Certificate Fund to be used to pay capitalized interest on the Certificates prior to the earlier of three years after Closing or the payment of all capitalized interest.

(b) If the District holds any Gross Proceeds other than those listed in the preceding paragraph (a), then any such Gross Proceeds in an amount in excess of five percent of the Sale Proceeds shall not be invested in:

- (i) federally insured deposits or accounts, such as bank accounts and C.D.s;

- (ii) obligations of or directly or indirectly guaranteed, in whole or in part, by the United States (or any agency or instrumentality of the United States), other than the following:

- (a) United States Treasury Obligations;

- (b) obligations issued by the Resolution Funding Corporation pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended by Section 511 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, or any successor provision (*e.g.*, Refcorp Strips); and

- (c) obligations guaranteed 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.

Because of these investment limitations, after the date three years after Closing, any amounts remaining in the Project Fund must be invested in U.S. Treasury obligations (including obligations of the State and Local Government Series, known as SLGS) or otherwise invested to avoid violating the restrictions set forth in this section.

5.5. *Treatment of Certain Credit Facility Fees.* The fee paid to the Credit Facility Provider with respect to the Credit Facility may be treated as interest in computing Certificate Yield.

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

6.1. *Payment and Use Tests.* (a) No more than five percent of the Sale Proceeds plus investment earnings thereon (not including amounts used to pay Costs of Issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) and amounts invested in a reserve or replacement fund), will be used, directly or indirectly, in whole or in part, in any Private Business Use.

(b) The payment of more than five percent of the principal of or the interest on the Certificates 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 five percent of the sum of the Sale Proceeds and investment earnings thereon (not including amounts used to pay Costs of Issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) and amounts invested in a reserve or replacement fund) or \$5,000,000 will be used, directly or indirectly, to make or finance loans to any persons.

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

6.2. *IRS 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 Certificates as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code.

(b) The District has not entered into and will not enter into any agreements under which obligations issued by any other entity in calendar year 2016 were or will be allocated to the District for purposes of Section 265(b)(3) of the Code.

(c) The District is not subject to the Control of any entity, and there are no entities subject to Control of the District that issued or may issue tax-exempt obligations during calendar year 2016. During calendar year 2016, the District has not and will not issue tax-exempt bonds on behalf of any other entity. The District has not and will not borrow the proceeds or otherwise use the proceeds of any tax-exempt bonds issued by another entity during calendar year 2016.

(d) The par amount of the Certificates does not exceed \$10,000,000 and the Issue Price of the Certificates does not exceed \$10,000,000. The Certificates have not been sold in conjunction with any other obligations.

(e) In calendar year 2016, other than the Certificates, no tax-exempt obligations of any kind have been issued, are reasonably expected to be issued, or will be issued (A) by or on behalf of the District or (B) by any entity subject to Control by the District (including any entity which may hereafter come into existence).

(f) In calendar year 2016, no entity has issued or will issue tax-exempt obligations which, but for the \$10,000,000 limitations of Section 265(b)(3) of the Code would have been or would be issued (A) by or on behalf of the District or (B) by any entity subject to Control by the District (including any entity which may hereafter come into existence). The District will receive substantial benefits from the project financed by the Certificates.

(g) The District may take an action or permit an action to be taken that is contrary to the requirements of this paragraph 6.3 only if, in addition to the requirements of paragraph 7.8, the action will not adversely affect the treatment of the Certificates as "qualified tax-exempt obligations" for the purpose and within the meaning of Section 265(b)(3) of the Code and the District obtains an opinion of Bond Counsel to that effect.

7.1. Termination. The terms and provisions set forth in this Section shall terminate at the later of (a) 75 days after the Certificates have been fully paid and retired or (b) the date on which all payments, if any, required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of paragraphs 4.2, 4.3(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Certificates are fully paid and retired.

7.2. Separate Issue. Since a date that is 15 days prior to the date of sale of the Certificates 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 Certificates that are reasonably expected to be paid out of substantially the same source of funds as the Certificates. 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 Certificates any tax-exempt obligations other than the Certificates that are reasonably expected to be paid out of substantially the same source of funds as the Certificates.

7.3. *No Sale of the Project.* (a) Other than as provided in the next sentence, neither the 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 Certificates) or (ii) the last maturity date of the Certificates. 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 Certificates) or (ii) the last maturity of the Certificates, provided: (A) the weighted average maturity of the Certificates 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 Certificate-financed property 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 prompt remedial actions to prevent interest on the Certificates from being included in gross income for federal income tax purposes. The District shall promptly contact Bond Counsel if a sale or other disposition of Certificate-financed property in a manner contrary to (a) above is considered by the District.

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

7.5. *First Call Date Limitation.* The period between the date of Closing and the first call date of the Certificates is not more than 10-1/2 years.

7.6. *Registered Form.* The District recognizes that Section 149(a) of the Code requires the Certificates 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 Certificates are delivered. In this connection, the District agrees that it will maintain the Certificates in registered form and will not take any action to permit the Certificates to be issued in, or converted into, bearer or coupon form.

7.7. *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.

7.8. *Permitted Changes; Opinion of Bond Counsel.* Any restriction or covenant contained in this Section need not be observed, and any provision of this Section may be changed or amended, only if (in addition to any requirements for a particular change contained elsewhere in this Section) such nonobservance, change or amendment will not result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Certificates or the inclusion of interest on the Certificates as an item of tax preference in computing the alternative minimum tax for individuals or corporations under the Code and the District receives an opinion of Bond Counsel to such effect.

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 Certificates from federal income taxation, to demonstrate compliance with the covenants in this Ordinance and to show that all tax returns related to the Certificates 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 Certificate transaction (including this Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Certificate proceeds; documentation evidencing the use of Certificate-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 Certificates; and documentation pertaining to any investment of Certificate proceeds (including the information required under paragraphs 4.2 and 4.3 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 Certificates are outstanding, plus three (3) years after the later of the final payment date of the Certificates or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Certificates.

7.10. *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. Post-issuance compliance policies may include provisions that 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.

The District has adopted written post-issuance compliance policies which are contained in this Ordinance. 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 Certificates and without regard to paragraph 7.8.

7.11. 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.

7.12. Expectations. The Board has reviewed the facts, estimates and circumstances in existence on the date of issuance of the Certificates. On the basis of the facts and estimates contained herein, the District has adopted the expectations contained herein. 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 Certificates 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 Certificates and affects the tax-exempt status of the Certificates.

The Board hereby authorizes the officials of the District responsible for issuing the Certificates, the same being the President and Secretary of the Board and the Treasurer, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Certificates to be arbitrage bonds and to assure that the interest on the Certificates 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 Certificates 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 Certificates; (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 14. List of Certificateholders. The Certificate Registrar shall maintain a list of the names and addresses of the holders of the Certificates and upon any transfer shall add the name and address of the new Certificateholder and eliminate the name and address of the transferor Certificateholder.

Section 15. Duties of Certificate Registrar. If requested by the Certificate Registrar, the President and Secretary of the Board are authorized to execute the Certificate Registrar's standard form of agreement between the District and the Certificate Registrar with respect to the obligations and duties of the Certificate Registrar hereunder which may include the following:

- (a) to act as certificate registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Certificateholders as set forth herein and to furnish such list to the District upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Certificates as provided herein;
- (d) to cancel and/or destroy Certificates which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (e) to furnish the District at least annually a certificate with respect to Certificates cancelled and/or destroyed; and
- (f) to furnish the District at least annually an audit confirmation of Certificates paid, Certificates outstanding and payments made with respect to interest on the Certificates.

Section 16. Continuing Disclosure Undertaking. The President of the Board is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "*Continuing Disclosure*

Undertaking”). When the Continuing Disclosure Undertaking is executed and delivered on behalf of the District as herein provided, the Continuing Disclosure Undertaking will be binding on the District and the officers, employees and agents of the District, and the officers, employees and agents of the District are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedy for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Certificate to seek mandamus or specific performance by court order to cause the District to comply with its obligations under the Continuing Disclosure Undertaking.

Section 17. Municipal Bond Insurance. In the event the payment of principal and interest on the Certificates is insured pursuant to a municipal bond insurance policy (the “*Municipal Bond Insurance Policy*”) issued by a bond insurer (the “*Bond Insurer*”), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the District and the Certificate Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Certificates, subrogation of the rights of the Certificateholders to the Bond Insurer upon payment of the Certificates by the Bond Insurer, amendment hereof, or other terms, as approved by the President of the Board on advice of counsel, his or her approval to constitute full and complete acceptance by the District of such terms and provisions under authority of this Section.

Section 18. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the District to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Certificates and other 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 (including the Certificates, the “*Tax Advantaged Obligations*”). Further, it is necessary and in the best interest of the District that (i) the Board adopt policies with respect to record-keeping and post issuance compliance with the District’s covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least annually review the District’s Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations. The Board and the District hereby adopt the following Record-Keeping Policy:

(a) *Compliance Officer Is Responsible for Records.* The Library Director of the District (the “*Compliance Officer*”) is hereby designated as the keeper of all records of the District with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the Board at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (i) the proceedings of the District authorizing the Tax Advantaged Obligations, (ii) any offering document with respect to the offer and sale of the Tax Advantaged Obligations, (iii) any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the District with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the Board stating whether or not the District has any rebate liability to the United States Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Board.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what

requirements the District must meet in order to maintain the tax-exemption of interest paid on its Tax Advantaged Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on its Tax Advantaged Obligations, and applicable tax credits or other tax benefits arising from its Tax Advantaged Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Advantaged Obligations is entitled to be excluded from "gross income" for federal income tax purposes, that the District is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on its Tax Advantaged Obligations, and the entitlement of holders of any Tax Advantaged Obligations to any tax credits or other tax benefits, respectively. Notwithstanding any other policy of the District, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

- (i) complete copies of the transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

- (ii) copies of account statements showing the disbursements of all Tax Advantaged Obligation proceeds for their intended purposes, and records showing the assets and other property financed by such disbursements;

- (iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held or in which funds to be used for the payment of principal of or interest on any Tax Advantaged Obligations has been held, or which has provided security to the holders or credit enhancers of any Tax Advantaged Obligations;

- (iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

- (v) copies of any subscriptions to the United States Treasury for the purchase of State and Local Government Series (SLGS) obligations;

- (vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the United States Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the District, including any leases (the "*Contracts*"), with respect to the use of any property owned by the District and acquired, constructed or otherwise financed or refinanced with the proceeds of the Tax Advantaged Obligations effective at any time when such Tax Advantaged Obligations are, will or have been outstanding. Copies of contracts covering no more than 50 days of use and contracts related to District employees need not be retained.

(e) *IRS Examinations or Inquiries.* In the event the IRS commences an examination of any issue of Tax Advantaged Obligations or requests a response to a compliance check, questionnaire or other inquiry, the Compliance Officer shall inform the Board of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination or inquiry.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Board, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the District has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the District's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Ordinance and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the "*Tax Agreements*") to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these procedures. The Compliance Officer will

review this Ordinance and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver.* The procedures described in this Section are only for the benefit of the District. No other person (including an owner of a Tax Advantaged Obligation) may rely on the procedures included in this Section. The District may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of an ordinance by the Board. Additional procedures may be required for Tax Advantaged Obligations the proceeds of which are used for purposes other than capital governmentally owned projects or refundings of such, including tax increment financing bonds, bonds financing output facilities, bonds financing working capital, or private activity bonds. The District also recognizes that these procedures may need to be revised in the event the District enters into any derivative products with respect to its Tax Advantaged Obligations.

Section 19. 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, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 20. Repeal. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed, and this Ordinance shall be in full force and effect forthwith upon its adoption.

Adopted September 21, 2016.

Attest:


Secretary, The Board of Library Trustees


President, The Board of Library Trustees

EXHIBIT 1

WORK CONTRACTS

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 Library Trustees of the Warrenville Public Library District, DuPage County, Illinois (the "*Board*"), and as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 21st day of September, 2016, insofar as same relates to the adoption of Ordinance No. 16-17-04 entitled:

AN ORDINANCE authorizing and providing for an Installment Purchase Agreement for the purpose of paying the cost of purchasing real or personal property, or both, in and for the Warrenville Public Library District, DuPage County, Illinois, and for the issue of not to exceed \$2,500,000 Debt Certificates of said Library District evidencing the rights to payment under said Agreement, providing for the security for and means of payment under said Agreement of said Certificates, and authorizing the sale of said Certificates to the purchaser thereof.

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.

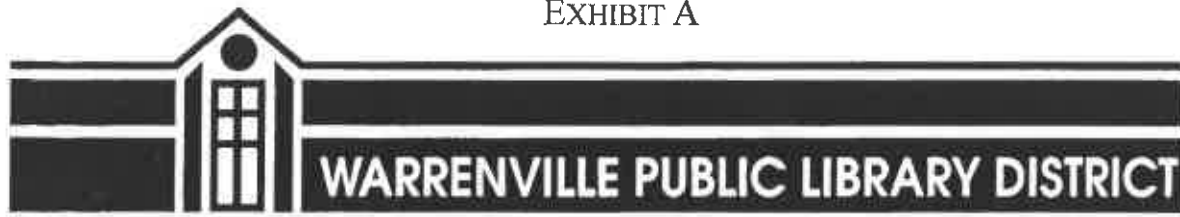
I do further certify that the deliberations of the Board on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting 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 Public Library District Act of 1991 of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Acts and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of said Public Library District, this 21st day of September, 2016.

A handwritten signature in blue ink, appearing to read "Robert W. Wain", is written over a horizontal line.

Secretary, The Board of Library Trustees

(SEAL)



28 W 751 Stafford Place • Warrenville, IL 60555 • 630/393-1171 • Fax 630/393-1688

WARRENVILLE PUBLIC LIBRARY DISTRICT
Regular Meeting of the Board of Trustees
Wednesday, September 21, 2016, 7:00 p.m.
(Immediately following Budget & Appropriation Public Hearing)
Location: Hudetz Family Meeting Room

AGENDA

Visitors are welcome to all meetings of the Board of Trustees. Anyone who wishes to address the Board during Public Comments must fill out a sign up sheet prior to the start of the meeting. Speakers are limited to three (3) minutes. The Board requests that a group appoint one (1) speaker to present the views of the entire group. Speakers will state name and address before addressing the Board. While the Board appreciates all questions and comments, they will not respond at the meeting, but may choose to do so at a later time.

1. Call to order
2. Roll Call (Trustees Arlowe, DuRocher, Lezon, Picha, Richardson, Stull, Warren)
3. Approval of the agenda **(ACTION)**
*Trustees may request to remove any items from the consent or regular agenda at this time.
Discussion only items may also be added to the regular agenda at this time.*
4. Presentations
5. Public comments
6. Correspondence
 - a. Thank you from Oglesby Public Library
7. Consent Agenda **(ACTION)**
 - a. Approve Minutes of the August 17, 2016 Regular Board of Trustees Meeting
 - b. Receive and file Financial Report for August
 - c. Adopt Ordinance #16-17-03 Budget & Appropriation Ordinance for FY2016-2017
 - d. Adopt Resolution #207 - Resolution to Determine Estimate of Funds Needed for 2016-2017 Fiscal Year
 - e. Approve Chief Fiscal Officer's Certificate of Estimated Revenue for 2016-2017
 - f. Approve Public Disclosure of "Total Compensation" posting for Fiscal Year Ending June 30, 2017 as required by Illinois Public Act 97-0609

8. Regular Agenda
 - a. Approve payments for the period of August 18 – September 21, 2016 **(ACTION)**
 - b. Approve transfer of funds **(ACTION)**
9. Unfinished Business
 - a. Building Project Update (*discussion only*)
10. New Business
 - a. Approve and Award Base Bids for Renovation Project **(ACTION)**
 - b. Approve and Award Alternate Bids for Renovation Project **(ACTION)**
 - c. Approve and Award Furniture Quotes and Bids **(ACTION)**
 - d. Adopt Ordinance #16-17-04 – An Ordinance authorizing and providing for an Installment Purchase Agreement for the purpose of paying the cost of purchasing real or personal property, or both, in and for the Library District, and for the issue of not to exceed \$2,500,000 Debt Certificates of the Library District evidencing the rights to payment under said Agreement, providing for the security for and means of payment under said Agreement of said Certificates, and authorizing the sale of said Certificates to the purchaser thereof." **(ACTION)**
 - e. Review first draft of Levy Ordinance and Truth in Taxation Notice (*discussion only*)
 - f. Adopt Policy No. 355 - Petition Policy **(ACTION)**
 - g. Used Book Sale (*discussion only*)
11. Director's Report
12. Department Head Reports
13. President's Report
 - a. Next meetings or events
14. Treasurer's Report
15. Secretary's Report
16. Committee Reports
 - a. Warrenville Library Foundation
17. Trustee Comments
18. Items for Information and/or Discussion (No Action)
19. Closed Session
20. Discussion/action resulting from the above closed session **(ACTION)**
21. Adjournment **(ACTION)**

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

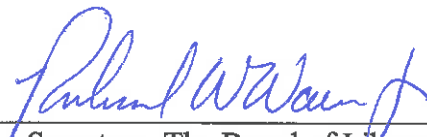
FILING CERTIFICATE

We, the undersigned, do hereby certify that we are, respectively, the duly qualified and acting Secretary and Treasurer of The Board of Library Trustees (the "*Board*") of the Warrenville Public Library District, DuPage County, Illinois (the "*District*"), respectively, and as such officers we do hereby certify that on the 21st day of September, 2016, there was filed with each of us, respectively, and placed on deposit in our respective records, a properly certified copy of Ordinance No. 16-17-04 adopted by the Board on the 21st day of September, 2016, and entitled:

AN ORDINANCE authorizing and providing for an Installment Purchase Agreement for the purpose of paying the cost of purchasing real or personal property, or both, in and for the Warrenville Public Library District, DuPage County, Illinois, and for the issue of not to exceed \$2,500,000 Debt Certificates of said Library District evidencing the rights to payment under said Agreement, providing for the security for and means of payment under said Agreement of said Certificates, and authorizing the sale of said Certificates to the purchaser thereof.

together with any Work Contracts identified by the adoption of said Ordinance and attached thereto as *Exhibit 1*, and that the same have all been deposited in, and all as appears from, the official files and records of our respective offices.

IN WITNESS WHEREOF, we hereunto affix our official signatures and the seal of the District, this 21st day of September, 2016.



Secretary, The Board of Library Trustees



Treasurer, The Board of Library Trustees

(SEAL)