

Eastern Illinois Economic Development Authority
Resolution 14-003

A Resolution Adopting Tax-Exempt Financing
Compliance Policies and Procedures

WHEREAS, the Eastern Illinois Economic Development Authority (the "Authority") is a political subdivision, body politic and municipal corporation under 70 ILCS, 506/1 et seq., as supplemented and amended; and

WHEREAS, pursuant to Section 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the Authority has powers to issue bonds, notes, or other evidences of indebtedness; and

WHEREAS, the Internal Revenue Service recommends certain post-issuance tax compliance by the Conduit User in connection with the applicable Tax-Exempt Bond issue; and

NOW, THEREFORE, Be It Resolved by the members of the Eastern Illinois Economic Development Authority, as follows:

Section 1. That, the Authority hereby adopts the Eastern Illinois Economic Development Authority Tax-Exempt Financing Compliance Policy and Procedure (the "Compliance Policy") as set forth in Attachment A of this resolution; and

Section 2. That, the Executive Director is hereby appointed as the Bond Compliance Officer as defined in the Compliance Policy; and

Section 3. That, the Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Resolution.

Section 4. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision of this Resolution shall for any reason be declared to be invalid, such declaration shall not affect the remainder of the sections, phrases and provisions of this Resolution.

Section 5. That all ordinances, resolutions or orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded; and that this Resolution shall be in full force and effect upon its adoption and approval

Presented, passed, approved and recorded this 2nd day of May 2014.


Vote: Ayes 9 Nays 0 Abstain 0
Resolution: Passed X Failed



Chairman

(SEAL)

Attest:



Secretary

Attachment A

**TAX-EXEMPT FINANCING COMPLIANCE POLICY AND
PROCEDURE**

EASTERN ILLINOIS ECONOMIC DEVELOPMENT AUTHORITY
TAX-EXEMPT FINANCING COMPLIANCE POLICY AND PROCEDURE

Dated May 2, 2014

TAX-EXEMPT FINANCING COMPLIANCE POLICY AND PROCEDURE

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Exhibit A – List of Outstanding Tax-Exempt Bond Issues Covered by this
Compliance Procedure

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TAX-EXEMPT FINANCING COMPLIANCE POLICY AND PROCEDURE

THIS TAX-EXEMPT FINANCING COMPLIANCE POLICY AND PROCEDURE (this “Compliance Procedure”), dated May 2, 2014, is hereby adopted by the **EASTERN ILLINOIS ECONOMIC DEVELOPMENT AUTHORITY** (the “Issuer”) in connection with its issuance of Tax-Exempt Bonds (as defined herein).

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized words and terms used in this Compliance Procedure have the following meanings:

“**Annual Compliance Checklist**” means the questionnaire and/or checklist described in **Section 5.5** hereof that is completed each year by the Conduit User for the applicable Tax-Exempt Bond issue.

“**Bond Compliance Officer**” means the Issuer’s Executive Director and his or her successors in office (including successors to the duties and obligations of such office by whatsoever title such office from time to time be known).

“**Bond Counsel**” means the law firm selected by the Issuer or the Conduit User to provide a legal opinion regarding the tax status of interest relative to the applicable Tax-Exempt Bond issue upon issuance thereof or to provide advice on matters referenced in this Compliance Procedure.

“**Bond Restricted Funds**” means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue.

“**Bond Transcript**” means the “transcript of proceedings” or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the applicable Tax-Exempt Bond issue.

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

“**Compliance Procedure**” means this Tax-Exempt Financing Compliance Policy and Procedure.

“**Conduit User**” means the entity to whom proceeds of the applicable Tax-Exempt Bond issue issued by the Issuer are loaned or otherwise made available and who is required to pay principal of and interest on such Tax-Exempt Bond issue.

“**Conduit User Bond Compliance Officer**” means the individual officer or employee of the Conduit User identified as the primary individual responsible for post-issuance tax compliance by the Conduit User in connection with the applicable Tax-Exempt Bond issue.

“**Cost**” or “**Costs**” means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of the Project or costs of issuing the applicable Tax-Exempt Bond issue for the Project.

“**Final Written Allocation**” means the Final Written Allocation prepared pursuant to **Section 5.4** of this Compliance Procedure.

“**Financed Facilities**” means those costs of the Project treated as financed or refinanced with applicable Tax-Exempt Bond proceeds as reflected in the Final Written Allocation or, if no Final Written Allocation was prepared, in the books and records of the Trustee and the Conduit User.

“**Governing Body**” means the Board of Directors of the Issuer.

“**Intent Resolution**” means the resolution of the Issuer or the Conduit User stating (1) the intent of the Issuer or the Conduit User to finance all or a portion of the Project, (2) the expected maximum size of the financing and (3) the intent of the Issuer to reimburse Costs of the Project paid by the Conduit User from proceeds of the applicable Tax-Exempt Bond issue.

“**IRS**” means the Internal Revenue Service.

“**Issuer**” means the Eastern Illinois Economic Development Authority.

“**Placed In Service**” means that date (as determined by the Conduit User Bond Compliance Officer) when the Project is substantially complete and in operation at substantially its design level.

“**Project**” means all tangible or intangible property financed or refinanced in whole or in part with the applicable Tax-Exempt Bond issue that are (1) functionally related or integrated in use, (2) located on the same physical site or proximate sites, and (3) expected to be Placed In Service within the same 12-month period.

“**Rebate Analyst**” means the rebate analyst selected pursuant to the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue.

“**Regulations**” means all regulations issued by the U.S. Treasury Department to implement the provisions of the Code applicable to Tax-Exempt Bonds.

“**Tax Compliance Agreement**” means the Federal Tax Certificate, the Tax Compliance Agreement, the Arbitrage Agreement, or other written certification or agreement of the Issuer or the Conduit User setting out representations and covenants relating to the applicable Tax-Exempt Bond issue.

“**Tax-Exempt Bonds**” means the particular issue of bonds, notes, installment sale agreement, lease or certificates intended to be debt obligations of the Issuer, the proceeds of

which are to be loaned or otherwise made available to the Conduit User, and the interest on which is excludable from gross income for federal income tax purposes. A list of all Tax-Exempt Bonds outstanding and subject to this Compliance Procedure as of the date hereof, is attached as **Exhibit A**.

“**Tax-Exempt Bond File**” means documents and records which may consist of paper and electronic medium, maintained for the applicable Tax-Exempt Bond issue. Each Tax-Exempt Bond File will include the following information relative to the applicable Tax-Exempt Bond issue, if extant:

- (a) Intent Resolution. (Duplicate Copy Maintained by Bond Compliance Officer)
- (b) Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (c) Final Written Allocation and/or all available books and records related to the Project showing the proceeds of the applicable Tax-Exempt Bond issue allocated to expenditures and other sources of funds (if any) allocated to expenditures.
- (d) All rebate spending exception analyses and rebate and yield reduction payment calculations prepared by the Rebate Analyst and all investment records provided to the Rebate Analyst with respect thereto.
- (e) Forms 8038-T for rebate payments, together with proof of filing and payment of rebate. (Duplicate Copy Maintained by Bond Compliance Officer)
- (f) Qualified hedge documents (unless included in the Bond Transcript).
- (g) Investment agreement documents (unless included in the Bond Transcript) including:
 - (1) Bid solicitation, bid responses, certificate of broker;
 - (2) Written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
 - (3) Investment agreement and any amendments.
- (h) Any item required to be maintained by the terms of the Tax Compliance Agreement involving the use of the Project or expenditures related to tax compliance for the applicable Tax-Exempt Bond issue.
- (i) Any opinion of Bond Counsel regarding the applicable Tax-Exempt Bond issue not included in the Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (j) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (k) Any correspondence with the IRS relating to the applicable Tax-Exempt Bond issue including all correspondence relating to an audit by the IRS of such Tax-Exempt Bond issue or any proceedings under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP). (Duplicate Copy Maintained by Bond Compliance Officer)

- (l) Any available questionnaires or correspondence substantiating the use of the Project in accordance with the terms of the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue.
- (m) For refunding bond issues, the Tax-Exempt Bond Files for the prior Tax-Exempt Bond issues directly or indirectly refunded in whole or in part by the applicable Tax-Exempt Bond issue.

“Trustee” means the corporate trustee named in the trust indenture or other similar document included in the Bond Transcript for the applicable Tax-Exempt Bond issue.

Section 1.2. Rules of Construction.

(a) Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing person shall include firms, associations and corporations, including public bodies, as well as natural persons.

(b) The table of contents hereto and the headings and captions herein are for convenience only and are not a part of this document.

(c) Terms used in an accounting context and not otherwise defined herein shall have the meaning ascribed to them by applicable generally accepted principles of accounting.

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) The Issuer issues Tax-Exempt Bonds and loans or otherwise makes the proceeds available to Conduit Users to fund Costs of the Project Facilities. The Issuer understands that in order for interest on the applicable Tax-Exempt Bond issue to be excluded from gross income for federal income tax purposes, the Code and Regulations impose ongoing requirements related to the proceeds of such Tax-Exempt Bond issue and the Project financed or refinanced thereby. These requirements focus on the investment, use and expenditure of proceeds of such Tax-Exempt Bond issue and related funds as well as restrictions on the use of the Project.

(b) The Issuer recognizes that the IRS has recommended that issuers of Tax-Exempt Bonds have a separate written procedure regarding ongoing compliance with the federal tax requirements applicable to Tax-Exempt Bonds.

(c) This Compliance Procedure is adopted to comply with the IRS recommendation and to provide tax compliance and documentation. As the Conduit User for the applicable Tax-Exempt Bond issue is primarily responsible for the expenditure and investment of proceeds of such Tax-Exempt Bond issue of the Issuer, the use of the Financed Facilities and the Project, this Compliance Procedure provides that the Conduit User will undertake substantially all obligations related to post-issuance compliance for such Tax-Exempt Bond issue issued for its benefit.

Notwithstanding anything herein to the contrary, it shall not be the obligation of the Issuer or the Bond Compliance Officer to take any of the actions, to perform any of the tasks or to assume any of the obligations of the Conduit User or the Conduit User Bond Compliance Officer hereunder or under the Tax Compliance Agreement for any of the applicable Tax-Exempt Bond issue.

Section 2.2. Scope of Compliance Procedure; Conflicts. This Compliance Procedure applies to Tax-Exempt Bonds currently outstanding and Tax-Exempt Bonds issued in the future. If the provisions of this Compliance Procedure conflict with the Tax Compliance Agreement or any other specific written instructions of Bond Counsel related to the applicable Tax-Exempt Bond issue, the terms of the Tax Compliance Agreement or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Exempt Bonds is to be incorporated in the Tax Compliance Agreement for such future issue and noted by Bond Counsel for the attention of the Bond Compliance Officer and the Conduit User Bond Compliance Officer.

Section 2.3. Amendments and Availability of Compliance Procedure. This Compliance Procedure may be amended from time-to-time by action of the Governing Body. Copies of this Compliance Procedure and any amendments will be included in the public records of the Issuer.

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure and will work with the various Conduit User Bond Compliance Officers and Trustees in order to implement this Compliance Procedure. The Bond Compliance Officer will consult with Bond Counsel, legal counsel to the Issuer, accountants, tax return preparers and other outside experts to the extent, if any, determined by the Bond Compliance Officer to be necessary or advisable to carry out the purposes of this Compliance Procedure.

Section 3.2. Training. The Bond Compliance Officer and/or other employees of the Issuer at the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding tax-exempt financing as the Bond Compliance Officer determines as are relevant and appropriate.

ARTICLE IV

TAX-EXEMPT BONDS CURRENTLY OUTSTANDING

Section 4.1. Tax-Exempt Bonds Covered by Article IV. This **Article IV** applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Exempt Bond issues are listed on **Exhibit A** attached hereto.

Section 4.2. Tax-Exempt Bond Files. Within the year following the adoption of this Compliance Procedure, the Bond Compliance Officer will assemble as much of the Tax-Exempt Bond Files as are reasonably available for the applicable Tax-Exempt Bond issues listed on **Exhibit A**.

Section 4.3. Conduit User Contact. Within the year following the adoption of this Compliance Procedure, the Bond Compliance Officer will send to each Conduit User of Tax-Exempt Bonds listed on **Exhibit A** a letter reminding the Conduit User that under the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue, it is responsible for post-issuance tax compliance related to the investment of Bond Restricted Funds, record-keeping, use of such Tax-Exempt Bond proceeds, and use of the Project. The letter will also include the above definition of the term “Tax-Exempt Bond File” and recommend that the Conduit User retain the materials described in that definition for the applicable Tax-Exempt Bond issue.

Section 4.4. Annual Certification. In the letter referred to in **Section 4.3** hereof, the Bond Compliance Officer will request each Conduit User to certify annually in writing to the Issuer and the Trustee its compliance or noncompliance with the terms of the Tax Compliance Agreement for the applicable outstanding Tax-Exempt Bonds listed on **Exhibit A**. Certifications completed by each Conduit User should be retained by the Bond Compliance Officer.

Section 4.5. Correcting Noncompliance. In the event a Conduit User certifies to noncompliance with the Tax Compliance Agreement for the applicable outstanding Tax-Exempt Bonds listed on **Exhibit A**, the Bond Compliance Officer will advise the Conduit User of the procedures described in the Regulations (including Regulations §§ 1.145-2 and 1.141-12) or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. The Conduit User Bond Compliance Officer will consult with legal counsel to the Conduit User and/or Bond Counsel and, if recommended by such counsel, will follow the procedures described in the Regulations or VCAP to remediate the noncompliance. If remediation of the noncompliance requires the Issuer to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after seeking cooperation and agreements relative thereto from the Conduit User.

ARTICLE V

NEW TAX-EXEMPT BOND ISSUES

Section 5.1. Application. This **Article V** applies to Tax-Exempt Bonds issued on or after the date of this Compliance Procedure.

Section 5.2. Prior to Issuance of Tax-Exempt Bonds.

(a) Intent Resolution. The Governing Body will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of such authorizing resolution, the Governing Body may adopt an Intent Resolution. The Bond Compliance Officer will endeavor to provide the Conduit User with a copy of this Compliance Procedure prior to adoption of the Intent Resolution for the applicable Tax-Exempt Bond issue.

(b) Directions to Bond Counsel. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the applicable Tax-Exempt Bond issue so that they conform to the requirements of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer may consult with Bond Counsel regarding the making of appropriate provisions to fund or reimburse the Issuer's costs and expenses incurred to implement this Compliance Procedure. To the extent the Issuer relies on or acts at the direction of a Conduit User, the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue will contain appropriate provision for Issuer indemnification by the Conduit User.

(c) Tax Compliance Agreement. For each issuance of Tax-Exempt Bonds, a Tax Compliance Agreement will be signed by the Conduit User Bond Compliance Officer or other duly authorized officer of the Conduit User. The Tax Compliance Agreement for the applicable Tax-Exempt Bond issue will (1) describe the Project and the anticipated Financed Facilities, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance by the Conduit User, (3) for a refunding bond issue or the refunding portion thereof – require the Conduit User's preparation and/or documentation of the Final Written Allocation - and for a new money bond issue or the new money portion thereof - require the Conduit User's future completion of the Final Written Allocation and include a form thereof, and (4) require completion by the Conduit User of an Annual Compliance Checklist each year and include a form thereof. The Conduit User Bond Compliance Officer will confer, to the extent, if any, determined by the Conduit User Bond Compliance Officer to be necessary or advisable, with Bond Counsel, and such other persons deemed appropriate regarding the meaning and scope of the representations and covenants contained in the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue.

(d) Preliminary Cost Allocations. For each issuance of Tax-Exempt Bonds, the Conduit User Bond Compliance Officer, in consultation with Bond Counsel to the extent, if any, determined to be necessary or advisable by the Conduit User Bond Compliance Officer, will prepare a preliminary general cost allocation plan for the Project. The preliminary general cost allocation plan will identify the expected assets and expected Costs of the Project, including such Costs that the Conduit User expects to finance with proceeds of the applicable Tax-Exempt Bond issue (that is, Costs of Financed Facilities) and such Costs the Conduit User expects to be financed from other sources.

(e) Tax Review with Bond Counsel. Prior to each sale of Tax-Exempt Bonds, the Bond Compliance Officer, the Bond Counsel will review with the Conduit User Bond

Compliance Officer this Compliance Procedure together with the draft Tax Compliance Agreement for the applicable Tax-Exempt Bond issue in order to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Compliance Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue, or that the Tax Compliance Agreement must be supplemented to account for special issues or requirements for such Tax-Exempt Bond issue, Bond Counsel will include the written modifications or additions in the final Tax Compliance Agreement.

Section 5.3. Accounting and Record-Keeping.

(a) Accounting for New Money Projects. The Conduit User Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the applicable Tax-Exempt Bond issue. The Conduit User Bond Compliance Officer will establish separate accounts or subaccounts to record expenditures for Costs of the Project. The Conduit User Bond Compliance Officer may use accounts established pursuant to a trust indenture for such Tax-Exempt Bond issue to assist it in accounting for the investment and expenditure of the proceeds of such Tax-Exempt Bond issue. In recording Costs of the Project, the Conduit User Bond Compliance Officer will ensure that the accounting system will include the following information: (1) identity of person or business paid, along with any other available narrative description of the purpose for the payment, (2) date of payment, (3) amount paid, and (4) invoice number or other identifying reference.

(b) Accounting for Refunded Bonds and Related Refunded Bond Accounts. For Tax-Exempt Bonds that are issued to refund prior Tax-Exempt Bonds, the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue will set out special accounting and allocation procedures for the proceeds of the financing, and, if necessary, proceeds of the refinanced debt.

(c) Tax-Exempt Bond File. The Conduit User Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File for the applicable Tax-Exempt Bond issue. The Conduit User Bond Compliance Officer will provide copies to the Issuer of items contained in the Tax-Exempt Bond File upon request.

Section 5.4. Final Written Allocation .

(a) Preparation of Final Written Allocation; Timing. Each Conduit User Bond Compliance Officer is responsible for making a written allocation of Tax-Exempt Bond proceeds to expenditures for a Project and identifying the Financed Facilities. This process will be memorialized in a Final Written Allocation. For a new money bond issue or new money portion thereof, the Conduit User Bond Compliance Officer will commence the process of making a Final Written Allocation for the applicable Tax-Exempt Bond issue as of the earliest of (1) the requisition of all of the proceeds of such Tax-Exempt Bond issue from any segregated Tax-Exempt Bond funded account, (2) substantial completion of the Project or (3) four and one-half years following the issue date of such Tax-Exempt Bond issue. For a refunding bond issue or the refunding portion thereof, the Bond Counsel, together with the Conduit User Bond Compliance

Officer, will prepare and/or document the Final Written Allocation for the refinanced debt that originally financed the Project and may attach as an exhibit to the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue.

(b) New Money Final Written Allocation. For a new money bond issue or the new money portion thereof:

(i) *Contents and Procedure.* The Conduit User Bond Compliance Officer will consult the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue and, if necessary or helpful, contact Bond Counsel to seek advice regarding any special allocation of the applicable Tax-Exempt Bond proceeds and other moneys of the Conduit User to Costs of the Project. If no special allocation is required or recommended, the Conduit User Bond Compliance Officer will allocate proceeds of the applicable Tax-Exempt Bond issue to Costs of the Project in accordance with the Conduit User's accounting records. Each Final Written Allocation will generally be based on the sample form of Final Written Allocation and will typically contain the following: (1) a reconciliation of the actual sources and uses to Costs of the Project, (2) the percentage of the total Cost of the Project financed with proceeds of the applicable Tax-Exempt Bond issue (sale proceeds plus any investment earnings thereon), (3) the Project's Placed in Service date, (4) the estimated economic useful life of the Project, and (5) any special procedures to be followed in completing the Annual Compliance Checklist (for example, limiting the Annual Compliance Checklist to specific areas of the Project that are treated as having been financed by the applicable Tax-Exempt Bond issue).

(ii) *Finalize Annual Compliance Checklist.* As part of the preparation of each Final Written Allocation, the Conduit User Bond Compliance Officer will update the sample form of Annual Compliance Checklist contained in the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue.

(iii) *Review of Final Written Allocation and Annual Compliance Checklist.* Each Final Written Allocation and Annual Compliance Checklist will be reviewed, to the extent, if any, determined by the Conduit User Bond Compliance Officer to be necessary or advisable, by legal counsel to the Conduit User and/or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue and this Compliance Procedure. Following the completion of any such review, the Conduit User Bond Compliance Officer will execute the Final Written Allocation.

(iv) *Conduit User Certification of Compliance.* The Conduit User Bond Compliance Officer will certify in writing to the Issuer and the Trustee completion of its responsibilities with respect to the applicable Tax-Exempt Bond issue under this **Section 5.4.**

Section 5.5. Annual Compliance Checklist. An Annual Compliance Checklist will be completed by each Conduit User Bond Compliance Officer each year following completion of the Final Written Allocation. Each Annual Compliance Checklist will be designed and

completed for the purpose of identifying potential noncompliance with the terms of the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue and obtaining documents (such as investment records, arbitrage computations, or other documentation for the Project) that are required to be incorporated in the Tax-Exempt Bond File. Each Conduit User will certify annually in writing to the Issuer and the Trustee its compliance or noncompliance with the terms of the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue. Certifications completed by each Conduit User should be retained by the Bond Compliance Officer. In the event a Conduit User certifies to noncompliance with the Tax Compliance Agreement for the applicable Tax-Exempt Bond issue, the Bond Compliance Officer will advise the Conduit User of the procedures described in the Regulations (including Regulations §§ 1.145-2 and 1.141-12) or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. In such event, the Conduit User Bond Compliance Officer will consult with legal counsel to the Conduit User or Bond Counsel and, if recommended by such counsel, will follow the procedures described in the Regulations (including Regulations §§ 1.145-2 and 1.141-12) or VCAP to remediate the noncompliance. If remediation of the noncompliance requires the Issuer to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after seeking cooperation and agreements relative thereto from the Conduit User.

Section 5.6. Arbitrage and Rebate Compliance. Each Conduit User Bond Compliance Officer will monitor the investment of Bond Restricted Funds and provide investment records to the Rebate Analyst on a timely basis. Each Conduit User Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

ADOPTED BY THE BOARD OF DIRECTORS OF THE EASTERN ILLINOIS ECONOMIC DEVELOPMENT AUTHORITY: May 2, 2014

EASTERN ILLINOIS ECONOMIC DEVELOPMENT AUTHORITY

By: _____

Name: _____

Title: _____

EXHIBIT A

LIST OF OUTSTANDING TAX-EXEMPT BOND ISSUES
COVERED BY THIS COMPLIANCE PROCEDURE