

TAX COMPLIANCE CERTIFICATE AND AGREEMENT

_____ (the “*Recipient*”) is executing this Tax Compliance Certificate and Agreement (“*Tax Agreement*”) to allow the Illinois Environmental Protection Agency (the “*Agency*”) to fund one or more loans (L17# _____) (the “*Loan*”) to the Recipient with proceeds of tax-exempt bonds.

Section 1. Expectations. The Recipient and the Agency have previously executed or will execute a loan agreement or loan agreements providing that the Agency lend funds to the Recipient to reimburse the Recipient for eligible costs incurred for the Project described therein. This Tax Agreement establishes the expectations and covenants of the Recipient with respect to future events regarding the Loan and the use of Loan proceeds. The Recipient recognizes that the Loan proceeds are derived in whole or in part from the proceeds of tax-exempt bonds. Certain certifications and covenants necessary to preserve the tax-exemption of the bonds are presented here in summary form; additional information is available in the Website Instructions, which are incorporated in this Tax Certificate to the extent relevant to the Project.

Section 2. Internal Revenue Service Audits. The Internal Revenue Service has not contacted the Recipient regarding any bonds or other debt obligations issued by or on behalf of the Recipient in connection with its wastewater or drinking water system and no such obligations are currently under examination by the Internal Revenue Service.

Section 3. Purpose of the Loan. The proceeds of this Loan will be used to finance eligible capital expenditures of the Project, including architectural or engineering costs incurred prior to construction. The Recipient expects to borrow at least 90% of the commitment amount of the Loan and to spend all of the Loan Proceeds on the Project.

Section 4. The Project — Binding Commitment and Timing. The Recipient expects that the work of constructing the Project and the expenditure of Loan proceeds will proceed with due diligence (*i.e.*, without substantial or unnecessary delay) after the Loan is originated. The Recipient expects to draw and spend all of the Loan proceeds no later than the third anniversary of the Date of Issuance of the Bonds (as defined in the Introduction to this Tax Agreement).

Section 5. Reimbursement. None of the proceeds of the Loan will be used to reimburse expenditures actually paid by the Recipient prior to the Date of Issuance of the Bonds (as defined in the Introduction to this Tax Agreement), unless the Recipient has adopted a qualified “official intent resolution” or the expenditures constitute qualified “preliminary expenditures” (see Website Instructions for details).

Section 6. Hedge and Investment Agreements. The Recipient will not enter into any interest rate swap, interest rate cap, futures contract, forward contract, guaranteed investment contract, certificate of deposit, option or similar instrument in connection with the Loan or the proceeds of the Loan unless an exception applies (see Website Instructions).

Section 7. Funds and Accounts. The Recipient will establish and maintain a Repayment Fund, in which all amounts deposited are actually applied to principal and interest payments on the Loan within one year of the deposit date. No other funds pledged to, or expected to be used to pay, the Loan will be maintained by the Recipient. The Loan does not replace any invested

funds of the Recipient that were previously reserved to pay the costs of the Project and the term of the Loan is no longer than 120% of the expected useful life of the Project.

Section 8. Use of Proceeds and Project. None of the Loan proceeds or the Project will be used by any person or entity, other than a state or local government unit, pursuant to any special arrangement that does not include all members of the general public (such as a sale; lease; management, service or output contract; or similar arrangement), unless an exception applies (see Website Instructions). Also, none of the Loan proceeds will be lent to any party other than a state or local government unit.

Section 9. No Sale of the Project. The Recipient will not sell or otherwise dispose of any portion of the Project without prior written approval of the Agency.

Section 10. Purchase of Bonds by Recipient. The Recipient will not purchase any tax-exempt bonds the proceeds of which were, or might have been, used to fund the Loan (if in doubt, contact the Agency).

Section 11. Compliance Procedures. The Recipient will adopt, and periodically monitor its compliance with, written procedures for satisfaction of its covenants hereunder (a form of such procedures that may be adapted to the Recipient's circumstances, is contained in the Website Instructions).

Section 12. Records. The Recipient will keep and retain adequate records to demonstrate compliance with all of the covenants in this Tax Agreement (including the Website Instructions, if applicable), at least until the third anniversary of the payment in full of the Bonds.

Dated: _____, 201__

Name of Authorized Representative

By _____
Authorized Representative Signature