TOWN OF WILLISTON
<u>TAX CERTIFICATE</u>
CAPITAL EQUIPMENT NOTE

We, the Treasurer and at least a majority of the Selectboard of the Town of Williston, Vermont (the "Municipality"), HEREBY CERTIFY and reasonably expect with respect to the issuance and the use of proceeds of the $228,800.00 Capital Equipment Note (the "Note") of the Municipality, dated June 12, 2019 as follows:

1. We are the officers of the Municipality duly charged and responsible for issuing the Note. The certifications and expectations set forth in this document are being given pursuant to Sections 141 and148 of the Internal Revenue Code of 1986, as amended, (the "Code"), and the Treasury Regulations promulgated thereunder.

2. The dates, maturities, denominations and rates of interest of the Note are as shown on the copy thereof appended as Schedule D, and its issuance has been reported to the Internal Revenue Service on IRS Form 8038-G, a copy of which is attached as Schedule B.

3. The proceeds of the Note will be used to provide funds for the purpose of financing the acquisition of an ambulance to deliver emergency services within the Municipality (the "Project"). There are no other funds available to the Municipality under the provisions and within the meaning of Regulation Section 1.148-6(d)(3), other than grants-in-aid and capital reserve funds of the Municipality dedicated to the Project. The weighted average maturity of the Note is less than 120% of the useful life of the Project.

4. The Municipality will use the proceeds of the Note within thirty (30) days of the date hereof to retire any obligations in the nature of short-term bond anticipation notes (the "Prior Obligations") which originally financed the Project or to reimburse itself for Project costs advanced under a duly adopted notice of official intent. The proceeds of the Note may be invested in the interim at a yield in excess of the yield on the Notes. To the extent there remain any unspent proceeds of the Prior Obligations, any and all of such proceeds shall be invested at a yield not in excess of the yield on the Notes.

5. The proceeds of the sale of the Note do not exceed the amount necessary to retire the Prior Obligations and to complete the Project. The proceeds of the Note will not be used to effect a tax increment financing loan or a tax assessment loan under Regulation Section 1.141-5(c)(3) and (d).

6. The Municipality has entered into (or will enter into within six months from the date hereof or the issue date of the Prior Obligations, whichever is earlier) a binding commitment for the acquisition, construction or accomplishment of the Project. The amount of such commitment(s) with respect to the Project exceeds an amount equal to five percent (5%) of the greater of the Note, the Prior Obligations, or the aggregate amount of obligations issued

for the Project. Work on the acquisition, construction or accomplishment of the Project will proceed with due diligence to the completion thereof. The Note proceeds will be invested temporarily and expended in compliance with the rebate requirements of Section 148(f) of the Code, so as to maintain the interest on the Note excludable from the gross income of the recipient thereof.

7. The total proceeds received from the sale of the Note and the Prior Obligations with respect to the Project do not exceed the total cost of the Project. All unexpended proceeds will be deposited and maintained in a segregated fund and not commingled with amounts from other sources such as state or federal grants-in-aid, Municipal capital reserve funds or project appropriations, or private Project donations.

8. It is not expected that the Project will be sold or otherwise disposed of in whole or in part. Public use of the Project will continue for so long as the Note remains outstanding. In the event an unanticipated change in private use or disposition of the Project occurs, the Municipality will undertake remediation measures under Regulation Section 1.141-12 at the earliest opportunity so as to preserve the tax exempt character of the Note.

9. Principal of and interest on the Note will be paid from taxes and other revenues of the Municipality. There are no private payments for the use of the Project other than payments made by members of the general public. The funds used to pay principal and interest on the Note, whether or not deposited into a segregated debt service fund, will be expended within thirteen (13) months of the date of deposit in such fund on the payment of debt service on the Note. Any amounts received from the investment of such fund will be used to pay debt service on the Note within one (1) year of the date of receipt. The debt service fund, if any, will be used to achieve a proper matching of revenues with principal and interest payments within each bond year and will be depleted at least once each bond year except for a reasonable carryover amount not to exceed the greater of (i) the earnings on the fund for the immediately preceding bond year or (ii) one-half of principal and interest payments on the issue for the immediately preceding bond year. Amounts deposited into such a debt service fund, if any, may be invested at a yield in excess of the yield on the Note.

10. Except for the debt service fund described herein, if any, the Municipality has not created or established, and does not expect to create or establish, any sinking fund or other similar fund which the Municipality reasonably expects to use to pay principal or interest on the Note, or from which there is a reasonable assurance that amounts therein will be available to pay debt service on the Note.

11. No portion of the proceeds of the Note will be invested, directly or indirectly, in federally insured deposits or accounts other than (a) investments of unexpended Note proceeds for an initial temporary period until the proceeds are needed for the Project; and (b) investment of moneys on deposit in a bonafide debt service fund. No portion of the proceeds of the Note will be loaned or otherwise made available to any private person, nor shall any of such proceeds be expended or invested in a manner which will result in the Note being

classified as a "hedge bond" under Section 149(g) of the Code.

12. The Municipality is a political subdivision of the State of Vermont and is an entity with general taxing powers, the power to incur debt, the power of eminent domain, and the power to enact and enforce policy measures. The Note is not a "private activity bond" (as defined in Section 141 of the Code). At least 95% of the proceeds of the Note are to be used for local governmental activities of the Municipality. Neither the Municipality nor any agency, instrumentality or political subdivision of the Municipality has issued or expects to issue any tax-exempt bonds or notes during the current calendar year other than: (i) the Note; (ii) short-term notes in an aggregate amount not to exceed the Municipality's maximum anticipated cumulative cash flow deficit, to be issued in anticipation of the receipt of taxes and other revenues of the Municipality; (iii) current refunding bonds in an amount not to exceed the amount of bonds to be refunded; and (iv) short-term notes issued in anticipation of receipt of federal or state capital improvement grants-in-aid. In the event the aggregate face amount of all tax-exempt obligations (including the Note) issued or to be issued by the Municipality (and all agencies, instrumentalities and other political subdivisions of the Municipality) during the current calendar year exceeds $5,000,000, except for private activity bonds and additional obligations aggregating no more than $10,000,000 or such lesser amount attributable to the financing of the construction of public school capital facilities, the proceeds of each issue of such obligations shall be invested temporarily and expended in compliance with the rebate requirements of Section 148(f)(2) and (3) and the Regulations thereunder, as applicable, so as to assure that the interest paid on such obligations remains excludable from the gross income of the recipient thereof. The Municipality will expend at least 85% of the Note proceeds, and all of the net income derived from the temporary investment thereof, within a three-year period calculated from the earlier of the date of issuance of the Note or date of issuance of the Prior Obligations. Proceeds not expended within three years shall be invested at a yield not in excess of the yield on the Note.

13. The Project is and will be owned by the Municipality and will not be leased to any person which is not a state or local government unit. In addition, the Municipality will not enter into any contracts or other arrangements, including without limitation, management contracts, capacity guarantee contracts, take or pay contracts, or put or pay contracts, pursuant to which such persons have a right to use or make use of the Project on a basis not available to members of the general public or which confers special economic benefits on any private person. No private business use of the Project will be made without an opinion of nationally recognized bond counsel that such use will not have an adverse effect on the tax-exempt status of the Note.

14. Any reimbursement of an expenditure made prior to the issue date of the Note or earlier short term financing is pursuant to a declaration of intent. In addition, any declaration of official intent of the Municipality to reimburse itself out of Note proceeds for prior Project expenditures incurred before the issuance of the Note or short term financing, if earlier, was adopted not later than 60 days after the date of such expenditures. The Project has not been in service for more than 18 months after the date of original expenditure, and such expenditures

being reimbursed out of Note proceeds are not more than three years old.

15. The Municipality will do and perform all acts and things necessary or desirable in order to assure that interest paid on the Note shall, for purposes of federal income taxation, be excludable from the gross income of the recipients thereof, or, if applicable, preserve the Note's tax advantages in the form of tax credits or interest payment subsidies.

16. In addition to the record-retention requirements of Section 6001 of the Code, and the Regulations now or hereafter promulgated thereunder, the Municipality commits to implement procedures which are intended to provide the following;

(a) Assignment of tax-exempt and tax credit bond, if applicable, compliance responsibilities to appropriate departments, officers, or employees.

(b) Establishment and maintenance of books and records for each issue of obligations of the Municipality.

(c) Code Section 148 compliant procedures for the investment of gross proceeds for each issue of the Municipality's obligations.

(d) Maintenance of records relating to all allocations of expenditures of proceeds of each issue of the Municipality's obligations.

(e) Periodic monitoring of use of proceeds of each issue of the Municipality's obligations, the investment and reinvestment of proceeds from the temporary investments thereof and the use of property acquired or financed by the proceeds of such obligations.

(f) Verification of the foregoing.

17. This certification has been delivered as part of the record of proceedings and accompanying certificates with respect to the issuance of the Note.

18. On the basis of the foregoing, it is not expected that the proceeds of the Note will be used in a manner which would cause the Note to be an "arbitrage bond" or "private activity bond" under Sections 103, 141 and 148 of the Code and the Treasury Regulations promulgated thereunder. To the best of our knowledge and belief, there are no other facts, estimates or circumstances that would materially change the foregoing conclusions.

19. No other obligations of the Municipality are:

(a) being sold within fifteen (15) days of the date of this Tax Certificate;
(b) being sold pursuant to a common plan of financing as was

employed in the sale of the Note; or

(c) expected to be paid from substantially the same source of funds.

20. The Municipality hereby designates the Note a "bank-qualified obligation" under Section 265(b) of the Code.

IN WITNESS WHEREOF, we have hereunto set our hands on behalf of the Municipality this 10th day of June, 2019.

TOWN OF WILLISTON

By: ______________________________

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All or a Majority of Its Selectboard/Board of Directors

And By: ______________________________

Its Treasurer

SCHEDULE D

MUNICIPAL BOND POST-ISSUANCE COMPLIANCE PROCEDURES

The following procedures have been adopted by the Issuer, effective as of the date of issue of the Note. These procedures shall be implemented immediately and shall relate to the Note and all currently outstanding and future debt obligations and financing leases. These procedures are intended to assist the Issuer in complying with those provisions of the Internal Revenue Code of 1986, as amended (the "Code") relating to (a) the qualified use of proceeds of the Issuer's tax-exempt and other tax advantaged bonds and notes and improvements financed by such proceeds; (b) arbitrage yield restrictions and rebate; (c) remediation of the effects of "deliberate action" of the Issuer which results in the disposition, abandonment or other change in use of property financed by the Issuer's debt obligation; and (d) the resolution of matters raised in connection with an audit or examination of the Issuer's tax-exempt or tax-advantaged obligations. These procedures are intended to furnish guidance in matters of Code compliance, and are subject to revision, modifications and enlargement from time to time.

(1) The municipal official or employee possessing the statutory or contractual powers, functions and responsibilities of a Chief Financial Officer (to the extent the same are not exercised by the Treasurer) shall be responsible for monitoring Note post-issuance compliance (the "Compliance Official").

(2) The Compliance Official shall review and implement these procedures in the manner necessary to ensure ongoing compliance with the provisions of the Tax Certificate. In connection therewith such official will become knowledgeable or consult an advisor experienced in post issuance compliance and will review and monitor notices, advice and directives as may be received by the Issuer from its bond counsel, accountants, financial advisors, and governmental sources.

(3) On or before the first day of June in each year, the Compliance Official shall confirm that all Issuer property financed by the proceeds of the Issuer's obligations continues to be used in the same manner as existed when such property was first placed into service. Such confirmation shall be based upon a visual inspection and representations of the public officials under whose care, custody and control the property is placed.

(4) For so long as the proceeds of any debt obligation of the Issuer remains unexpended, the Compliance Official shall confirm on the first day of June and the first day of December in each year that such proceeds are deposited or

invested for a "temporary period" as established under Section 148 of the Code, and the Regulations thereunder. Following the third anniversary of the issuance of an Issuer obligation, all unexpended proceeds shall be invested so as to generate a yield no greater than the yield on the corresponding obligation.

(5) The Compliance Official shall confirm, at least annually while there are unexpended proceeds, that the proceeds of each Issuer obligation shall be expended in such amounts, at such frequency, and in such intervals to ensure that the Issuer avails itself of one or more arbitrage rebate exception allowed under Section 148 of the Code, and the Regulations promulgated thereunder. Alternatively, if rebate is due, the Compliance Official will engage a consultant to prepare a Report to determine any rebate due.

(6) With respect to the acquisition and construction of capital improvements financed with the proceeds of the Issuer's debt obligations, the Issuer hereby declares that such proceeds shall be allocated to acquisition and construction expenditures prior to the expenditure and application of funds from any other public or private source. A final expenditure report accounting for the use of all Issuer obligation proceeds and earnings shall be completed no later than 18 months after the Project(s) financed by the Issuer obligation is placed in service.

(7) In the event there is a change of use, abandonment or disposition of property financed by the proceeds of an Issuer obligation, the Compliance Official shall immediately consult with the Issuer's bond counsel and accountants regarding remedial action. The Issuer thereafter shall endeavor to call and redeem all or a portion of outstanding debt obligations, the proceeds of which were expended to finance such property. The proceeds derived from the sale or other disposition of the financed property shall not be commingled with other funds of the Issuer, but shall be used to effect the redemption of obligations, if necessary, the proceeds of which financed such property. Pending redemption as called for in this section, such proceeds shall be invested at a yield no greater than the yield on the obligations to be redeemed.

(8) The Compliance Official shall create and preserve records for the term of all Issuer obligation and any refunding thereof plus three years documenting the procedures incident to the authorization and issuance and identifying the proceeds of each issue of the Issuer's obligations, the deposit and investment thereof, the income derived from such deposit and investment, the expenditure

of such proceeds and investment income (containing at a minimum the date, amount and recipient of each expenditure), payment requisitions, and all rate, fee, charge and assessment schedules relating to property financed by the Issuer's obligations. Such records shall include copies of loan agreements, escrow agreements, tax certificates, project bid documents, construction and acquisition contracts, project invoices, project-related bank statements, and documents related to anticipatory bond financing.

(9) The Compliance Official shall retain all contracts or arrangements with non-governmental persons relating to the use, control and management of the Project(s) financed an Issuer obligation.

(10) In the event there remain on hand any excess proceeds from an Issuer obligation, following acquisition or completion of the improvements for which such obligation was issued, the Compliance Official shall consult with the Issuer's bond counsel regarding the use of such proceeds.