

DISCLOSURE AND ISSUER ACKNOWLEDGEMENT OF UNDERWRITER'S NEW OBLIGATIONS
TO STATE AND LOCAL GOVERNMENTS UNDER MSRB RULE G-17 EFFECTIVE AUGUST 2,
2012

Date: March 23, 2014

Name of Issuer: Geneva CUSD 304, Kane County, IL Name of Underwriter: William Blair

Address: 227 N. Fourth Street Address: 222 West Adams

City/State/Zip: Geneva, IL 60134 City/State/Zip: Chicago, IL 60606

Name or Short Description of Proposed Bond Issue: Debt Service Reduction Plan 2014-2018

Name of Authorized Issuer Officials: Kent Mutchler, Superintendent, Donna Oberg, Assistant Superintendent

We are writing to provide you, as Underwriter of bond issue(s) associated with the Debt Service Reduction Plan 2014-2018 including General Obligation Refunding Bonds, Geneva Community Unit School District 304, Kane County, IL with certain disclosures relating to the captioned bond issue (Bonds), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2012-25 (May 7, 2012).¹

The Issuer has engaged William Blair & Company to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

As part of our services as underwriter, William Blair & Company may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

I. Disclosures Concerning the Underwriters' Role:

(i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.

(ii) The underwriter's primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriters have financial and other interests that differ from those of the Issuer.

(iii) Unlike a municipal advisor, the underwriters do not have fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.

(iv) The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell the Bonds to investors at prices that are fair and reasonable.

¹

Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective August 2, 2012).

(v) The underwriter will review the official statement for the Bonds in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.²

II. Disclosures Concerning the Underwriters' Compensation:

The underwriters will be compensated by an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

III. Additional Conflicts Disclosures:

William Blair & Company has not identified any additional potential or actual material conflicts that require disclosure.

Since the underwriter has not recommended a "complex municipal securities financing" to the Issuer, additional disclosures regarding the financing structure for the Bonds are not required under MSRB Rule G-17.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect or sign and return the enclosed copy of this letter to me at the address set forth below. Depending on the structure of the transaction that the Issuer decides to pursue, or if additional potential or actual material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

²

Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an Issuer as a guarantee of the accuracy or completeness of the information in the official statement.

ISSUER ACKNOWLEDGEMENT OF RECEIPT OF WILLIAM BLAIR'S "DISCLOSURE OF
UNDERWRITER'S NEW OBLIGATIONS TO STATE AND LOCAL GOVERNMENTS UNDER
MSRB RULE G-17"

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Acknowledgment:

[Name of Authorized Issuer Official]

Date: _____