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A Resolution authorizing and providing for the issue of \$650,000 General Obligation Limited Tax Debt Certificates, Series 2016, of Community Unit School District Number 304, Kane County, Illinois.

* * *

WHEREAS, Community Unit School District Number 304, Kane County, Illinois (the "*District*"), is a school district of the State of Illinois operating under and pursuant to the School Code of the State of Illinois, as amended (the "*School Code*"), the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*") and together with the School Code, (the "*Installment Purchase Provisions*"); and

WHEREAS, the Board of Education 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 finance the purchase and installation of certain portable classroom facilities for Geneva High School (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 architectural, and engineering services related to such work hereinafter provided for in this Resolution to be not less than \$650,000, 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 the amount of \$650,000 for the purpose of paying such costs; and

WHEREAS, pursuant to the Installment Purchase Provisions, the District has the power to purchase and improve real property or purchase 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 (the "*Treasurer*"), as nominee-seller; authorize the President and Secretary 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 the amount of \$650,000:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of Community Unit School District Number 304, Kane County, Illinois, as follows:

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution 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; Contract to Issue Certificates. The District hereby represents, warrants, and agrees that the obligation to make the payments due under the Agreement shall be a general obligation of the District payable from any funds of the District lawfully available and annually appropriated for such purpose. 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. The District 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 Resolution, the President and Secretary 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 Resolution, 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 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 improvement of real property or the purchase of personal property, or both, in and for Community Unit School District Number 304, Kane County, Illinois.

* * *

THIS INSTALLMENT PURCHASE AGREEMENT (this "*Agreement*") dated as of May 23, 2016, by and between the Treasurer (as hereinafter defined), as Nominee-Seller (the "*Seller*"), and Community Unit School District Number 304, Kane County, Illinois (the "*District*");

WITNESSETH

A. The Board of Education (the "*Board*") has determined to finance the purchase and installation of certain portable classroom facilities for Geneva High School (the "*Project*"), all as previously approved by the Board and on file with the Secretary (the "*Secretary*") as set forth on the attached Exhibit A.

B. Pursuant to the provisions of the School Code of the State of Illinois (the "*School Code*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*") and together with the School Code (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 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 23rd day of May, 2016, the Board, pursuant to Applicable Law and the need to provide for the Project, adopted a resolution (the "*Resolution*") 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 Resolution is

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

and each of the terms as defined in the Resolution 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, and acquire 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, and acquire the Project upon real estate owned by 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 Resolution). 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 \$650,000, plus the amount of investment earnings which are earned on the amount deposited with the Treasurer 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 \$650,000, plus the amount of investment earnings which are earned on the amount deposited with the Treasurer from the sale of the Certificates.

3. PAYMENTS

The payment of the entire sum of \$650,000 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 Resolution.

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 Resolution.

5. TAX COVENANTS

The covenants relating to the tax-exempt status of the Certificates, as set forth in the Resolution, 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 general 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. The District 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 and to apply the proceeds thereof to the payment of principal and interest on the 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 Certificate holder 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, and the District has caused this Installment Purchase Agreement to be executed by the President, and also attested by the Secretary and the seal of the District to be hereunto affixed, all as of the day and year first above written.

SELLER: Signature: _____

[Here type name]: _____
as Nominee-Seller and the Treasurer

Attest:

Secretary

COMMUNITY UNIT SCHOOL DISTRICT NUMBER
304, KANE COUNTY, ILLINOIS

President

[Seal]

Attest:

Secretary

EXHIBIT A

LIST OF PROJECTS

Purchase and installation of certain portable classroom facilities for Geneva High School

STATE OF ILLINOIS)
) SS
COUNTY OF KANE)

CERTIFICATE OF INSTALLMENT PURCHASE AGREEMENT FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary (the "*Secretary*") of Community Unit School District Number 304, Kane County, Illinois (the "*District*"), and as such officer I do hereby certify that on the 23rd day of May, 2016, there was filed in my office a properly certified copy of that certain document, executed by the President, attested by me in my capacity as Secretary, and further executed, as Nominee-Seller, by the Treasurer, also attested by me, dated as of the date hereof, and entitled "Installment Purchase Agreement for the improvement of real property or the purchase of personal property, or both, in and for Community Unit School District Number 304, Kane County, Illinois"; and supporting the issuance of certain General Obligation Limited Tax Debt Certificates, Series 2016, 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, this 23rd day of May, 2016.

Secretary

Section 6. Certificate Details. For the purpose of providing for the Project, there shall be issued and sold certificates of the District in the principal amount of \$650,000, which shall be designated "General Obligation Limited Tax Debt Certificates, Series 2016" (the "*Certificates*"). The Certificates shall be dated June 6, 2016, and shall bear the date of authentication, shall be in fully registered form, and shall be numbered 1 and upward. The Certificates shall become due and payable serially on November 1 of each year 2016 through 2020, and shall bear interest each November 1, commencing November 1, 2016, at the rate of 2.7% percent per annum pursuant to the following schedule:

<u>Payment Date</u>	<u>Total Payment</u>	<u>Principal</u>	<u>Interest</u>
11-01-16	\$140,716.97	\$133,648.22	\$ 7,068.75
11-01-17	\$140,716.97	\$126,775.47	\$13,941.50
11-01-18	\$140,716.97	\$130,198.41	\$10,518.56
11-01-19	\$140,716.97	\$133,713.77	\$ 7,003.20
11-01-20	\$129,057.06	\$125,664.13	\$ 3,392.93

Interest on each Certificate shall be paid by check or draft of the District, as certificate registrar and paying agent (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 of each interest payment date. The principal of the Certificates shall be payable in lawful money of the United States of America at the principal corporate trust office of the Certificate Registrar.

The Certificates shall be signed by the President and Secretary, and shall be countersigned by the Treasurer, and 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 Resolution 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 Resolution. 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. General. The District shall cause books (the "*Certificate Register*") for the registration and for the transfer of the Certificates as provided in this Resolution to be kept at the principal corporate trust 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 corporate trust 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 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 of each 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 of 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 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.

Global Book-Entry System. The Certificates may 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 shall 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*"). 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, the Treasurer 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 of each interest payment date, the name "Cede" in this Resolution 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 Resolution 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. The Certificates shall be redeemed as provided in Section 6. In the event of default, a default rate of 5.7% shall be incurred for any certificate in default at time of redemption. The District shall, at least forty-five (45) days prior to the 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:

the redemption date,

the redemption price,

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,

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,

the place where such Certificates are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Certificate Registrar, and

such other information then required by custom, practice or industry standard.

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.

Unless moneys sufficient to pay the redemption price of the Certificates to be redeemed 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 conditioned 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 was given, that such moneys were not so received and that such Certificates will not be redeemed.

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:

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF KANE
COMMUNITY UNIT SCHOOL DISTRICT NUMBER 304
GENERAL OBLIGATION LIMITED TAX
DEBT CERTIFICATE SERIES 2016**

Interest Rate _____ %	Maturity Date _____	Dated Date June __, 2016	CUSIP _____
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Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that Community Unit School District Number 304, Kane 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 as set forth in the Notification of Sale) 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 November 1 of each year, commencing November 1, 2016, 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 the District, 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 of 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, been done and performed in regular and due form and time as required by law; that the indebtedness of the District, including the issue of certificates of which this is one, does not exceed any limitation imposed by law; that the obligation to make payments due hereon is a general obligation of the District payable from any funds of the District legally available and annually appropriated for such purpose, 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] This Certificate is one of a series of certificates issued by the District to finance certain capital improvements to existing school buildings within the District (the "*Project*"), in full compliance with the provisions of the School Code of the State of Illinois (the "*School Code*"), and the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and all laws amendatory thereof and supplementary thereto, and is authorized by the President and Board of the District by a resolution duly and properly adopted for that purpose, in all respects as provided by law. The Certificates issued by the District in connection with the Project have been issued in evidence of the indebtedness incurred pursuant to a certain Installment Purchase Agreement (the "*Agreement*"), dated as of May 23, 2016, entered into by and between the District and the Treasurer thereof, 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.

[6] 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.

[7] This Certificate is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Certificate Registrar in Geneva, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing resolution, 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.

[8] The Certificates are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples 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 resolution. 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 of 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 of mailing of a notice of redemption of any Certificates.

[9] 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.

[10] In Witness Whereof, said Community Unit School District Number 304, Kane County, Illinois, by its President and Board, has caused this Certificate to be signed by the President and Secretary of said President and Board, and to be countersigned by the Treasurer thereof, and has caused the seal of the District to be affixed hereto or printed hereon, all as of the Dated Date identified above.

(Seal)

Countersigned:

President

Secretary

Treasurer

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

Certificate Registrar and Paying Agent:
School Treasurer
Community Unit School District Number 304
Kane County, Illinois

This Certificate is one of the Certificates described in the within mentioned resolution and is one of the General Obligation Limited Tax Debt Certificates, Series 2016, of Community Unit School District Number 304, Kane County, Illinois.

By: _____
School Treasurer as Certificate Registrar

Section 11. Sale of Certificates. The Treasurer is hereby authorized and directed to deliver the Certificates to MB Financial Bank (the "*Purchaser*") pursuant to a negotiated sale at a purchase price of \$650,000, plus accrued interest on the Certificates from their dated date to the date of delivery. The President and the Secretary are authorized and directed to execute a certificate purchase agreement (the "*Purchase Contract*") in connection with the sale of the Certificates, in the name of and on behalf of the District. The purchase agreement shall be substantially in the form of purchase agreements commonly used in transactions similar to that described in the Resolution, with such changes as necessary to reflect the terms and provisions of

the Certificates, this Resolution and such other changes as the President or Treasurer shall determine are necessary or desirable in connection with the sale of the Certificates. No person holding any office of the District, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

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 Resolution, said Preliminary Official Statement, the Official Statement and the Certificates, including the purchase of a surety bond on behalf of the School Treasurer.

Section 12. Use of Certificate Proceeds. Accrued interest 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 "General Obligation Limited Tax Debt Certificate Fund of 2016" (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 remaining 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:

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.

Pursuant to this Resolution or subsequent resolution or resolutions to be duly adopted, the Board shall identify all or a designated portion of each Work Contract to the Agreement. This Resolution, any such further resolution and said Work Contracts shall be filed of record with the Secretary and the Treasurer. The adoption and filing of any such resolution or resolutions 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 resolutions, 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.

Section 13. Tax Covenants. In order to preserve the exclusion of interest on the Certificates from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of issuance of the Certificates (the "Code") and as an inducement to purchasers of the Certificates, the District represents, covenants and agrees that:

(a) No more than 10% of the payment of the principal of or interest on the Certificates will be (under the terms of the Certificates, this Resolution or any underlying arrangement), directly or indirectly, (i) secured by any interest in property used or to be used for a private business use or payments in respect of such property or (ii) derived from payments (whether or not to the District) in respect of such property or borrowed money used or to be used for a private business use.

(b) No more than 5% of the Certificate proceeds will be loaned to any entity or person other than a state or local governmental unit. No more than 5% of the Certificate proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Certificate proceeds.

(c) The District reasonably expects, as of the date hereof, that the Certificates will not meet either the private business use test described in paragraph (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Certificates.

(d) No more than 5% of the proceeds of the Certificates will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds

of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(e) The District will not designate the Certificates as “qualified tax-exempt obligations” but will designate them as “non-qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

(f) The District will not take any action or fail to take any action with respect to the Certificates that would result in the loss of the exclusion from gross income for federal tax purposes on the Certificates pursuant to Section 103 of the Code, nor will the District act in any other manner which would adversely affect such exclusion.

(g) It shall not be an event of default under this Resolution if the interest on any Certificate is not excludable from gross income for federal tax purposes pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Certificates.

(h) These covenants are based solely on current law in effect and in existence on the date of delivery of such Certificates.

The District hereby authorizes the officials of the District responsible for issuing the Certificates, the same being the President and Secretary of the District, 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 excludable from gross income for federal income tax purposes. In connection therewith, the District further agrees: (a) through its 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; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Certificates as required pursuant to Section 148 of the Code and the regulations promulgated thereunder; (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. Noncompliance with Tax Covenants. Notwithstanding any other provisions of this Resolution, the covenants and authorizations contained in this Resolution (the "Tax Section") which are designed to preserve the exclusion of interest on the Certificates from gross income under federal law (the "Tax Exemption") need not be complied with if the District receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 15. List of Certificateholders. The Certificate Registrar shall maintain a list of the names and addresses of the holders of all Certificates and upon any transfer shall add the name and address of the new Certificate holder and eliminate the name and address of the transferor Certificate holder.

Section 16. Duties of Certificate Registrar. If requested by the Certificate Registrar, the President and Secretary 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:

to act as certificate registrar, authenticating agent, paying agent and transfer agent as provided herein;

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;

to give notice of redemption of Certificates as provided herein;

to cancel and/or destroy Certificates which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

to furnish the District at least annually a certificate with respect to Certificates cancelled and/or destroyed; and

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 17. Continuing Disclosure Undertaking. The President 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 Resolution, 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 18. Record-Keeping Policy and Post-Issuance Compliance Matters. On September 12, 2011, the Board adopted a record-keeping policy (the “Policy”) in order to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the 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. The Board and District hereby reaffirm the Policy.

Severability. If any section, paragraph, clause or provision of this Resolution 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 Resolution.

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

Adopted May 23, 2016.

President

Attest:

Secretary

STATE OF ILLINOIS)
) SS
COUNTY OF KANE)

CERTIFICATION OF MINUTES AND RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of Community Unit School District Number 304, Kane County, Illinois (the "*Secretary*"), 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 23rd day of May, 2016, insofar as same relates to the adoption of a resolution entitled:

A Resolution authorizing and providing for the issue of \$650,000
General Obligation Limited Tax Debt Certificates, Series 2016, of
Community Unit School District Number 304, Kane County,
Illinois.

a true, correct and complete copy of which said resolution 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 resolution were conducted openly, that the vote on the adoption of said resolution 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, 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 School Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of said District, this 23rd day of May, 2016.

Secretary

(Seal)

STATE OF ILLINOIS)
) SS
COUNTY OF KANE)

FILING CERTIFICATE

We, the undersigned, do hereby certify that we are, respectively, the duly qualified and acting Secretary and Treasurer of Community Unit School District Number 304, Kane County, Illinois (the "*District*"), respectively, and as such officers we do hereby certify that on the 23rd day of May, 2016, there was filed with each of us, respectively, and placed on deposit in our respective records, a properly certified copy of a resolution adopted by the Board on the 23rd day of May, 2016, and entitled:

A Resolution authorizing and providing for the issue of \$650,000
General Obligation Limited Tax Debt Certificates, Series 2016, of
Community Unit School District Number 304, Kane County,
Illinois.

together with any Work Contracts identified by the adoption of said resolution 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 this 23rd day of May, 2016.

Secretary

Treasurer

(Seal)