

ATTACHMENT NO. X-C:

Resolution for Alternate Revenue Source Bond
Refunding

Suggested Motion:

Move to approve the Resolution providing for the issue of not to exceed \$1,000,000 General Obligation Refunding Bonds (Alternate Revenue Source) for the purpose of refunding certain of the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2008A, providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds and authorizing the sale of said bonds to the purchaser thereof

Recommended Action:

Approve as presented.

It is recommended the Board approve the Resolution for Alternate Revenue Source Bond Refunding. Mr. Andy Arndt from Baird Financial will be present to provide additional detail and to answer any questions.

MINUTES of a regular public meeting of the Board of Education of Community Unit School District Number 200, Boone and Winnebago Counties, Illinois, held at the District Administrative Offices, 6248 North Boone School Road, Poplar Grove, Illinois, in said School District at 6:30 o'clock P.M., on the 27th day of September, 2016.

* * *

The meeting was called to order by the President, and upon the roll being called, Matt Ellingson, the President, and the following members were physically present at said location: _____

The following members were allowed by a majority of the members of the Board of Education in accordance with and to the extent allowed by rules adopted by the Board of Education to attend the meeting by video or audio conference: _____

No member was not permitted to attend the meeting by video or audio conference.

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____

The President announced that the next item for consideration was the issuance of not to exceed \$1,000,000 general obligation alternate bonds to be issued by the District pursuant to the Local Government Debt Reform Act of the State of Illinois, as amended, for the purpose of refunding certain of the District's outstanding alternate bonds and that the Board of Education would consider the adoption of a resolution providing for the issue of said bonds and the levy of a direct annual tax sufficient to pay the principal and interest thereon. The President then explained that the resolution sets forth the parameters for the issuance of said bonds and sale

thereof by designated officials of the District and summarized the pertinent terms of said parameters, including the specific parameters governing the manner of sale, length of maturity, rates of interest, purchase price and tax levy for said bonds.

Whereupon Member _____ presented and the Secretary read by title a resolution as follows, a copy of which was provided to each member of the Board of Education prior to said meeting and to everyone in attendance at said meeting who requested a copy:

RESOLUTION providing for the issue of not to exceed \$1,000,000 General Obligation Refunding Bonds (Alternate Revenue Source) of Community Unit School District Number 200, Boone and Winnebago Counties, Illinois, for the purpose of refunding certain of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2008A, of said School District, providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds and authorizing the sale of said bonds to the purchaser thereof.

* * *

WHEREAS, Community Unit School District Number 200, Boone and Winnebago Counties, Illinois (the "*District*"), has issued and has outstanding its General Obligation Bonds (Alternate Revenue Source), Series 2008A, dated September 25, 2008 (the "*Prior Bonds*"); and

WHEREAS, it is necessary and desirable to refund all or a portion of the Prior Bonds (said Prior Bonds to be refunded being referred to herein as the "*Refunded Bonds*") in order to realize certain interest cost savings; and

WHEREAS, the Refunded Bonds shall be fully described in the hereinafter-defined Bond Notification or in the Escrow Agreement referred to in Section 14 hereof and are presently outstanding and unpaid and are binding and subsisting legal obligations of the District; and

WHEREAS, the Board of Education of the District (the "*Board*") has determined that in order to refund the Refunded Bonds, it is necessary and in the best interests of the District to borrow an amount not to exceed \$1,000,000 and issue alternate bonds of the District therefor; and

WHEREAS, for the purpose of providing funds to refund the Refunded Bonds and in accordance with the provisions of the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Act*"), the Board is authorized to issue alternate bonds, being general obligation bonds payable from the revenue source as hereinafter set forth; and

WHEREAS, the refunding of the Refunded Bonds constitutes a lawful corporate purpose within the meaning of the Act; and

WHEREAS, the term of the alternate bonds to be issued for the purpose of refunding the Refunded Bonds will not be longer than the term of the Refunded Bonds and the debt service payable in any year on the alternate bonds to be issued will not exceed the debt service payable in such year on the Refunded Bonds; and

WHEREAS, the Board is now authorized to issue alternate bonds in an amount not to exceed \$1,000,000 in accordance with the provisions of the Act, and the Board hereby determines that it is necessary and desirable that there be issued an amount not to exceed \$1,000,000 of the bonds so authorized; and

WHEREAS, the alternate bonds to be issued will be payable (a) together with the outstanding Prior Bonds, from taxes, grants, state aid, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of school buildings and property (the "*Pledged Revenues*") and (b) from the Pledged Taxes, as hereinafter defined; and

WHEREAS, the alternate bonds to be issued will be issued on a parity with the Prior Bonds to the extent the Prior Bonds and alternate bonds to be issued are payable from the Pledged Revenues; and

WHEREAS, the Board hereby determines that the Pledged Revenues will provide in each year an amount not less than 1.25 times debt service of the alternate bonds to be issued, taking into account the pledge of the Pledged Revenues to the payment of the Prior Bonds; and

WHEREAS, the Property Tax Extension Limitation Law of the State of Illinois, as amended, imposes certain limitations on the "*aggregate extension*" of certain property taxes levied by the District, but provides that the definition of "*aggregate extension*" applicable to the

District contained in Section 18-185 of the Property Tax Code of the State of Illinois, as amended, does not include extensions made for payments of principal and interest on bonds issued under Section 15 of the Act; and

WHEREAS, the Board does hereby find and determine that the alternate bonds to be issued hereunder will be issued under Section 15 of the Act; and

WHEREAS, the County Clerks of The Counties of Boone and Winnebago, Illinois (the “*County Clerks*”), are therefore authorized to extend and collect said tax so levied for the payment of the alternate bonds to be issued hereunder without limitation as to rate or amount; and

WHEREAS, in accordance with the terms of the Refunded Bonds, the Refunded Bonds are to be called for redemption in advance of maturity, and it is necessary to make such call and provide for the giving of proper notice to the registered owners of the Refunded Bonds:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of Community Unit School District Number 200, Boone and Winnebago Counties, 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 hereby found and determined that the Board has been authorized by law to borrow an amount not to exceed \$1,000,000 upon the credit of the District and as evidence of such indebtedness to issue alternate bonds, being general obligation bonds payable from the Pledged Revenues as provided by the Act, to said amount, the proceeds of said bonds to be used for the purpose of refunding the Refunded Bonds, and that it is necessary and

for the best interests of the District that there be issued an amount not to exceed \$1,000,000 of the alternate bonds so authorized for said refunding purposes.

Section 3. Bond Details. There be borrowed on the credit of and for and on behalf of the District an amount not to exceed \$1,000,000 for the purpose aforesaid; and that bonds of the District (the “*Bonds*”) shall be issued to said amount and shall be designated “General Obligation Refunding Bonds (Alternate Revenue Source)” with such series designation as maybe appropriate. The Bonds shall be dated such date (not prior to October 1, 2016, and not later than April 15, 2017) as set forth in the Bond Notification, and shall also bear the date of authentication, shall be in fully registered form, shall be in minimum denominations of \$100,000 each or authorized integral multiples of \$1,000 in excess thereof (*provided* that if less than \$100,000 principal amount of Bonds is outstanding at any time, such outstanding principal amount shall be an authorized denomination for purposes of this Resolution, and *provided further* that no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on January 1 of each of the years (not later than 2028), in the amounts (not exceeding \$120,000 per year) and bearing interest at the rates per annum (not exceeding 4.00% per annum) as set forth in the Bond Notification.

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semi-annually commencing with the first interest payment date as set forth in the Bond Notification, and on January 1 and July 1 of each year thereafter to maturity.

Interest on each Bond shall be paid by check or draft of the bond registrar and paying agent (which shall be the School Treasurer who receives the taxes of the District or a bank or trust company with an office located in the State of Illinois or the State of New York) set forth in the Bond Notification (the "*Bond Registrar*"), or by wire transfer in immediately available funds, payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office of the Bond Registrar or by wire transfer in immediately available funds. As long as the Bonds are held by the Purchaser (as hereinafter defined), the Bond Registrar agrees that all amounts payable with respect to the Bonds held by the Purchaser may be made to the Purchaser without any presentment thereof except upon the payment of the final installment of principal. The Bond Registrar shall maintain a record of all principal payments received by the Purchaser with respect to the Bonds held by the Purchaser and the outstanding principal amount of the Bonds held by the Purchaser shall be that amount equal to the original principal amount paid by the Purchaser to purchase such Bonds less the principal payments received by the Purchaser.

The Bonds shall be signed by the manual or facsimile signatures of the President and Secretary of the Board, and shall be registered, numbered and countersigned by the manual or facsimile signature of the School Treasurer who receives the taxes of the District, as they shall determine, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the District

and showing the date of authentication. No Bond 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 Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 4. Registration of Bonds; Persons Treated as Owners. (a) General. The District shall cause books (the “*Bond Register*”) for the registration and for the transfer of the Bonds as provided in this Resolution to be kept at the principal office of the Bond Registrar, which is hereby constituted and appointed the registrar of the District. The District is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the District for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the District shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the District of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be

authorized to authenticate, date and deliver such Bond, *provided, however*, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond 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 Bond shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the District or the Bond 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 Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

The Purchaser shall have the right at any time to assign, transfer or convey the Bonds or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the District unless and until the Purchaser has delivered to the District written notice thereof that discloses the name and address of the assignee or the Loan Servicer (as hereafter provided) and such assignment, transfer or conveyance shall be made only to (i) an

affiliate of the Purchaser or (ii) banks, insurance companies or other financial institutions or their affiliates. Nothing in this Resolution or the Bonds shall limit the right of the Purchaser or its assignees to sell or assign participation interests in the Bonds to one or more entities listed in (i) or (ii), *provided* that any participation, custodial or similar agreement under which multiple ownership interests in the Bonds are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees (herein referred to as the “*Loan Servicer*”) to act on their behalf with respect to the rights and interests of the Purchaser under the Bonds.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 3 hereof. Upon initial issuance, the ownership of each such Bond may be registered in the Bond 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*”). In such event, all of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The President and Secretary of the Board, the Superintendent and chief business official of the District and the Bond 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 Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the District and the Bond Registrar shall have no responsibility or obligation to any

broker-dealer, bank or other financial institution for which DTC holds Bonds 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 Bonds. Without limiting the immediately preceding sentence, the District and the Bond 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 Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to the principal of or interest on the Bonds. The District and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond 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 Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the District to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond 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 3 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable 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 Bond 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 Bonds that they be able to obtain certificated Bonds, the District shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the District may determine that the Bonds 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 Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 4(a) hereof.

Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the name provided in the Representation Letter.

Section 5. Redemption. (a) Optional Redemption. All or a portion of the Bonds due on and after the date, if any, specified in the Bond Notification shall be subject to redemption prior to maturity at the option of the District from any available funds, as a whole or in part, and

if in part in integral multiples of \$1,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on the date specified in the Bond Notification (but not later than January 1, 2027), and on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Notification are subject to mandatory redemption, in integral multiples of \$1,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on January 1 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Notification.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the District may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Board shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

(c) *General.* The Bonds shall be redeemed only in the principal amount of \$1,000 and integral multiples thereof. The District shall, at least forty-five (45) days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method

of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$1,000 Bond or \$1,000 portion of a Bond shall be as likely to be called for redemption as any other such \$1,000 Bond or \$1,000 portion. The Bond 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 Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the District in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 6. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond 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 Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar, and

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

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the District shall have been received by the Bond 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 conditional upon the receipt of such moneys by the Bond 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 Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds 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 Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond 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 Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond 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 Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Section 7. Form of Bond. The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, “See Reverse Side for Additional Provisions”, shall be omitted and paragraph [6] and the paragraphs thereafter as may be appropriate shall be inserted immediately after paragraph [1]:

[Form of Bond - Front Side]

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTIES OF BOONE AND WINNEBAGO

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 200

**GENERAL OBLIGATION REFUNDING BOND (ALTERNATE REVENUE SOURCE)
SERIES 20__**

See Reverse Side for
Additional Provisions

Interest Rate: ____% Maturity Date: January 1, 20__ Dated Date: _____, 20__ CUSIP _____

Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that Community Unit School District Number 200, Boone and Winnebago Counties, Illinois (the "District"), hereby acknowledges itself to owe and for value received promises to pay 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 on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on January 1 and July 1 of each year, commencing _____ 1, 20__, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal office of _____, _____, _____, as bond registrar and paying agent

(the “*Bond 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 Bond Registrar at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond 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 Bond Registrar. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the District are hereby irrevocably pledged.

[2] Reference is hereby made to the further provisions of this Bond 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 Bond 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 bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of the Pledged Revenues and the Pledged Taxes to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

[4] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[5] IN WITNESS WHEREOF, said Community Unit School District Number 200, Boone and Winnebago Counties, Illinois, by its Board of Education, has caused this Bond to be signed by the manual or duly authorized facsimile signatures of the President and Secretary of said Board of Education, and to be registered, numbered and countersigned by the manual or duly authorized facsimile signature of the School Treasurer who receives the taxes of the District, all as of the Dated Date identified above.

SPECIMEN

President, Board of Education

SPECIMEN

Secretary, Board of Education

Registered, Numbered and Countersigned:

SPECIMEN

School Treasurer

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar and Paying Agent:

_____, _____

This Bond is one of the Bonds described in the within mentioned resolution and is one of the General Obligation Refunding Bonds (Alternate Revenue Source), Series 20__, of Community Unit School District Number 200, Boone and Winnebago Counties, Illinois.

as Bond Registrar

By _____
SPECIMEN
Authorized Officer

[Form of Bond - Reverse Side]

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 200

BOONE AND WINNEBAGO COUNTIES, ILLINOIS

GENERAL OBLIGATION REFUNDING BOND (ALTERNATE REVENUE SOURCE)

SERIES 20__

[6] This Bond is one of a series of bonds issued by the District for the purpose of refunding certain outstanding bonds of the District, in full compliance with the provisions of the School Code of the State of Illinois (the “Code”), and the Local Government Debt Reform Act of the State of Illinois (the “Act”), and all laws amendatory thereof and supplementary thereto, and is authorized by a resolution adopted by the Board of Education of the District (the “Board”) on the 27th day of September, 2016, in all respects as provided by law.

[7] The Bonds are payable (a) together with the District’s outstanding General Obligation Bonds (Alternate Revenue Source), Series 2008A, dated September 25, 2008 (the “2008A Bonds”), from taxes, grants, state aid, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of school buildings and property (the “Pledged Revenues”), and (b) from ad valorem taxes levied against all of the taxable property in the District without limitation as to rate or amount (the “Pledged Taxes”), all in accordance with the provisions of the Act and the Code. The Bonds are issued on a parity with the outstanding 2008A Bonds to the extent the 2008A Bonds and the Bonds are payable from the Pledged Revenues.

[8] [Optional and Mandatory Redemption provisions, as applicable, will be inserted here].

[9] [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 Bond to be redeemed at the address shown on the registration books of the District

maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond 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.]

[10] This Bond is transferable by the registered holder hereof in person or by his or her attorney duly authorized in writing at the principal office of the Bond Registrar in _____, _____, 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 Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[11] The Bonds are issued in fully registered form in minimum denominations of \$100,000 each or authorized integral multiples of \$1,000 in excess thereof. This Bond may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the authorizing resolution. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date[, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds].

[12] The District and the Bond Registrar may deem and treat the registered holder 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 Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

_____,
attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 8. Sale of Bonds. The President of the Board and either the Superintendent or the Director of Business Services of the District (the “*Designated Representatives*”) are hereby authorized to proceed not later than the 27th day of March, 2017, without any further authorization or direction from the Board, to sell the Bonds upon the terms as prescribed in this Resolution. The Bonds hereby authorized shall be executed as in this Resolution provided as soon after the delivery of the Bond Notification as may be, and thereupon be deposited with the School Treasurer who receives the taxes of the District, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to the purchaser thereof (the “*Purchaser*”), upon receipt of the purchase price therefor, the same being not less than 98% of the principal amount of the Bonds plus accrued interest, if any, to date of delivery. The Purchaser of the Bonds shall be: (a) in a negotiated underwriting, Robert W. Baird & Co. Incorporated, Naperville, Illinois (“*Baird*”); or (b) in a private placement, (i) a bank or financial institution authorized to do

business in the State of Illinois, (ii) a governmental unit as defined in Act, or (iii) an “accredited investor” as defined in Rule 501 of Regulation D as promulgated under the Securities Act of 1933, as amended; provided, however, that the Purchaser as set forth in (b) may be selected through the utilization of Baird, as placement agent, if the use of such placement agent is determined by the Designated Representatives to be in the best interest of the District.

Prior to the sale of the Bonds, the President of the Board or the Superintendent or business official of the District is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure the Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Municipal Bond Insurance Policy.

Upon the sale of the Bonds, the Designated Representatives shall prepare a Notification of Sale of the Bonds, which shall include the pertinent details of sale as provided herein (the “*Bond Notification*”). In the Bond Notification, the Designated Representatives shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by applicable law and that the net present value debt service savings to the District as a result of the issuance of the Bonds and the refunding of the Refunded Bonds is not less than 5.0% of the principal amount of the Refunded Bonds. The Bond Notification shall be entered into the records of the District and made available to the Board at the next regular meeting thereof; but such action shall be for information purposes only, and the Board shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Notification.

Upon the sale of the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Representatives, the President and Secretary of the Board and the School Treasurer who receives the taxes of the District and any other officers of the District, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the contract for the sale of the Bonds between the District and the Purchaser, which may be evidenced by an executed Term Sheet (the "*Purchase Contract*"). Prior to the execution and delivery of the Purchase Contract, the Designated Representatives shall find and determine that no person holding any office of the District, either by election or appointment, is in any manner interested, directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in the Purchase Contract.

The Bonds before being issued shall be registered, numbered and countersigned by the School Treasurer who receives the taxes of the District, such registration being made in a book provided for that purpose, in which shall be entered the record of the resolution authorizing the Board to borrow said money and a description of the Bonds issued, including the number, date, to whom issued, amount, rate of interest and when due.

The use by the Purchaser of any Preliminary Official Statement or Term Sheet and any final Official Statement or Term Sheet relating to the Bonds (the "*Official Statement*") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and 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 or Preliminary Term Sheet, the Official Statement and the Bonds.

Section 9. Alternate Revenue Source; Appropriation; Additional Obligations; Tax Levy. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, the District covenants and agrees with the purchasers and the owners of the Bonds that the District will deposit the Pledged Revenues into the Bond Fund, as hereinafter defined. The Pledged Revenues are hereby pledged to the payment of the Bonds and the Prior Bonds, and the Board covenants and agrees to provide for, appropriate, collect and apply the Pledged Revenues to the payment of the Bonds and the Prior Bonds and the provision of not less than an additional .25 times debt service. The Bonds are issued on a parity with the Prior Bonds to the extent the Prior Bonds and the Bonds are payable from the Pledged Revenues.

The District is authorized to issue from time to time additional bonds payable from the Pledged Revenues as permitted by law and such additional bonds may share ratably and equally and in the Pledged Revenues with the Bonds and the Prior Bonds; *provided, however*, that no such additional bonds shall be issued except in accordance with the provisions of the Act.

For the purpose of providing additional funds to pay the principal of and interest on the Bonds, there is hereby levied upon all of the taxable property within the District, in the years for which any of the Bonds are outstanding, a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the District the following direct annual taxes (the "*Pledged Taxes*"):

FOR THE YEAR

A TAX SUFFICIENT TO PRODUCE THE SUM OF:

2016	\$113,225	for interest and principal up to and including January 1, 2018
2017	\$116,025	for interest and principal
2018	\$116,975	for interest and principal
2019	\$117,587	for interest and principal
2020	\$117,862	for interest and principal
2021	\$117,800	for interest and principal
2022	\$117,400	for interest and principal
2023	\$116,662	for interest and principal
2024	\$115,587	for interest and principal
2025	\$114,175	for interest and principal
2026	\$117,425	for interest and principal

Principal or interest coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes herein levied; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

The District covenants and agrees with the purchasers and the owners of the Bonds that so long as any of the Bonds remain outstanding, the District will take no action or fail to take any action which in any way would adversely affect the ability of the District to collect the Pledged Revenues or to levy and collect the Pledged Taxes. The District and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and that the Pledged Taxes will be levied, extended and collected as provided herein and deposited in the Bond Fund.

To the extent that the taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Notification, the President and Secretary of the Board and the School Treasurer who receives the taxes of the District are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount

necessary to pay debt service on the Bonds in the following bond year. Proper notice of such abatement shall be filed with the County Clerks in a timely manner to effect such abatement.

Section 10. General Covenants. The District covenants and agrees with the holders of the Bonds that so long as the Bonds or any of them remain outstanding and unpaid, either as to principal or interest:

A. The District hereby pledges the Pledged Revenues to the payment of the Bonds and the Prior Bonds, and the Board covenants and agrees to provide for, collect and apply the Pledged Revenues to the payment of the Bonds and the Prior Bonds, and the provision of not less than an additional 0.25 times debt service thereon, all in accordance with Section 15 of the Act.

B. The District will punctually pay or cause to be paid from the Bond Fund the principal of and interest on the Bonds in strict conformity with the terms of the Bonds and this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof and hereof.

C. As long as any Bonds are outstanding under this Resolution, the District will continue to deposit the Pledged Revenues and, if necessary, the Pledged Taxes into the Bond Fund. The District covenants and agrees with the purchasers of the Bonds and with the registered owners thereof that so long as any Bonds remain outstanding, the District will take no action or fail to take any action which in any way would adversely affect the ability of the District to collect the Pledged Revenues. The District and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues and Pledged Taxes may be collected as provided herein and deposited into the Bond Fund, as provided herein.

D. Once issued, the Bonds shall be and forever remain until paid or defeased a general obligation of the District, the payment of which its full faith and credit are pledged, and shall be payable, in addition to the Pledged Revenues, from the levy of the Pledged Taxes as provided in the Act.

Section 11. Filing of Resolution and Certificate of Reduction of Taxes. Forthwith upon the passage of this Resolution, the Secretary of the Board is hereby directed to file a certified copy of this Resolution with the County Clerks, and it shall be the duty of the County Clerks to annually in and for each of the years 2016 to 2026, inclusive, ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of

the taxable property within the District in connection with other taxes levied in each of said years for school purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general school purposes of the District; and a certified copy of this resolution shall also be filed with the School Treasurer who receives the taxes of the District.

The President and Secretary of the Board and the School Treasurer who receives the taxes of the District be and the same are hereby directed to prepare and file with the County Clerks, a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Prior Bonds being refunded and directing the abatement of the taxes heretofore levied for the years 2016 to 2026, inclusive, to pay the Refunded Bonds.

Section 12. Abatement of Pledged Taxes. Whenever in any year the Pledged Revenues shall have been determined by the Board to provide not less than an amount equal to debt service due on the Bonds on July 1 of that year and on January 1 of the next succeeding year, the Board or such officers of the District acting with proper authority shall direct the abatement of the Pledged Taxes, and proper notification of such abatement shall be filed with the County Clerks in a timely manner to effect such abatement. The District may only direct the abatement of such taxes in any year if and to the extent that it has Pledged Revenues or other funds irrevocably set aside in the Bond Fund sufficient to pay the principal of and interest on the Bonds on July 1 of that year and on January 1 of the next succeeding year.

Section 13. Bond Fund. There is hereby established a special fund of the District known as the “Alternate Bond and Interest Fund of 20[16][17]” (the “*Bond Fund*”). The Pledged Revenues and the Pledged Taxes shall be set aside as collected and be deposited into the Bond Fund, which is a trust fund established for the purpose of carrying out the covenants, terms

and conditions imposed upon the District by this resolution. The Bonds are secured by a pledge of all of the moneys on deposit in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the District are discharged under this resolution.

Section 14. Use of Bond Proceeds. Accrued interest received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on such Bonds and is hereby ordered deposited into the Bond Fund. Interest received from the investment of the funds in the Bond Fund shall be retained in the Bond Fund for payment of the Bonds on the interest payment date next after such interest is received or, to the extent permitted by law, transferred by the Board to such other fund of the District as the Board may designate.

Simultaneously with the delivery of the Bonds, the principal proceeds of the Bonds, together with any premium received from the sale of the Bonds and such additional amounts as may be necessary from the general funds of the District, are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of refunding the Refunded Bonds, and that portion thereof not needed to pay such costs is hereby ordered deposited in escrow pursuant to an Escrow Letter Agreement to be entered into between the District and Amalgamated Bank of Chicago, Chicago, Illinois, as escrow agent (the "*Escrow Agent*"), in substantially the form attached hereto as *Exhibit A* (the "*Escrow Agreement*"), for the purpose of paying the principal of interest on the Refunded Bonds as such become due upon as provided in the Escrow Agreement. The Escrow Agreement and all the terms thereof, in substantially the form provided hereby, are hereby approved, and the President and Secretary of the Board are hereby authorized and directed to execute the Escrow Agreement in the name of the District.

In accordance with the redemption provisions of the resolution authorizing the issuance of the Prior Bonds, the District by the Board does hereby make provision for the payment of and

does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds for redemption on January 1, 2018.

At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the District from the proceeds of the Bonds.

Section 15. Non-Arbitrage and Tax-Exemption. One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Board and the District as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the District for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, the District hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the hereinafter defined Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The District acknowledges that, in the event of an examination by the Internal Revenue Service (the “IRS”) of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the District may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination. The Board and the District certify, covenant and represent as follows:

1.1. Definitions. In addition to such other words and terms used and defined in this Resolution, the following words and terms used in this Section shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

“Affiliated Person” means a Person that is affiliated with another Person (including the District) because either (a) at any time during the six months prior to the execution and delivery of the Bonds, more than five percent of the voting power of the governing body of either Person is in the aggregate vested in the other Person and its directors, officers, owners, and employees, or (b) during the one-year period beginning six months prior to the execution and delivery of the Bonds, the composition of the governing body of the Person (or any Person that controls the Person) is modified or established to reflect (directly or indirectly) representation of the interests of the other Person (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

“Bond Counsel” means Chapman and Cutler LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“Closing” means the first date on which the District is receiving the purchase price for the Bonds.

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

“Commingled Fund” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

“Control” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

(a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or

(b) to require the use of funds or assets of a Controlled Entity for any purpose.

“Controlled Entity” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“Controlled Group” means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has Control of the other entities.

“Controlling Entity” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“*Costs of Issuance*” means the costs of issuing the Bonds, including underwriters’ discount and legal fees, but not including the fees for the Credit Facility described in paragraph 5.8 hereof.

“*Credit Facility*” means the municipal bond insurance policy issued by the Credit Facility Provider.

“*Credit Facility Provider*” means the insurance company, if any, insuring the payment of all or a portion of the principal of and interest on the Bonds.

“*De minimis Amount of Original Issue Discount or Premium*” means with respect to an obligation (a) any original issue discount or premium that does not exceed two percent of the stated redemption price at maturity of the Bonds plus (b) any original issue premium that is attributable exclusively to reasonable underwriter’s compensation.

“*Escrow Account*” means the account established pursuant to the Escrow Agreement.

“*Escrow Agent*” means Amalgamated Bank of Chicago, Chicago, Illinois, as escrow agent under the Escrow Agreement.

“*Escrow Agreement*” means the agreement between the Escrow Agent and the District providing for the deposit in trust of certain Government Securities for the purpose of refunding in advance of maturity the Refunded Bonds.

“*External Commingled Fund*” means a Commingled Fund in which the District and all members of the same Controlled Group as the District own, in the aggregate, not more than ten percent of the beneficial interests.

“*GIC*” means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

“*Government Securities*” means the obligations held and to be held under the Escrow Agreement.

“*Gross Proceeds*” means amounts in the Bond Fund and the Escrow Account.

“*Issue Price*” of any group of substantially identical Bonds or of any other obligations issued for money or marketable securities is the price at which the obligations of that group are first offered for sale to the public (not including any bond houses, brokers, or persons acting in the capacity of underwriters, or wholesalers) so long as on the date that the District (or other entity issuing such obligations) sold such obligations, it was reasonably expected that at least 10% of each group of substantially identical bonds would be sold for such offering price. The “*Issue Price*” of any group of substantially identical obligations sold by the District to an investor that expects to hold the obligations

as an investor to maturity is the market price paid by such investor. The “*Issue Price*” of any obligations issued for property other than cash or marketable securities is determined under appropriate regulations. The “*Issue Price*” of any group of substantially identical Bonds issued for money may also be determined under 2015 proposed regulations as the first price at which at least 10% of such Bonds are sold to a person unrelated to the Purchaser or any other person that, on or prior to the Sale Date, had an arrangement or agreement with the Purchaser or District to sell Bonds.

“*Person*” means and includes any individual, body politic, governmental unit, agency or authority, trust, estate, partnership, association, company, corporation, joint-stock company, syndicate, group, pool, joint venture, other unincorporated organization or group, or group of any of the above.

“*Placed-in-Service*” means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

“*Prior Bond Fund*” means the fund or account or funds or accounts established with respect to the Prior Bonds from which current debt service on the Prior Bonds has been or will be paid excluding any interest paid on the Prior Bonds from Prior Bond Proceeds.

“*Prior Bond Gross Proceeds*” means the Prior Bond Proceeds plus all other amounts properly treated as gross proceeds of the Prior Bonds under the Regulations, including amounts in the Prior Bond Fund.

“*Prior Bond Proceeds*” means amounts actually or constructively received from the sale of the Prior Bonds, investment earnings thereon, and any transferred proceeds, including (a) amounts used to pay underwriter’s discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before the Prior Bonds were issued but only if it is to be paid within one year after the Prior Bonds were issued and (b) amounts derived from the sale of any right that is part of the terms of a Prior Bond or is otherwise associated with a Prior Bond (e.g., a redemption right).

“*Prior Bonds*” means the District’s outstanding issues being refunded by the Bonds, as more particularly described in the preambles hereof.

“*Prior Project*” means all property financed, refinanced or reimbursed with Prior Bond Proceeds.

“*Private Business Use*” means any use of the Prior Project by any Person (including the federal government) other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use

of the Prior Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any Person other than a state or local governmental unit (i) that conveys special legal entitlements to any portion of the Prior Project, or (ii) under which any Person other than a state or local governmental unit has any special economic benefit with respect to any portion of the Prior Project that is not available for use by the general public.

“Qualified Administrative Costs of Investments” means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

“Qualified Tax Exempt Obligations” means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344 (this clause (c) applies only to demand deposit SLGS, not to other types of SLGS).

“Rebate Fund” means the fund, if any, identified and defined in paragraph 4.1 herein.

“Rebate Provisions” means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

“Refunded Bonds” means those certain Prior Bonds being refunded by the Bonds.

“Regulations” means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

“Reserve Portion of the Bond Fund” means the portion of the Bond Fund funded in excess of the amount of debt service payable each year.

“Sale Proceeds” means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriters’ discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (e.g., a redemption right).

“*SLGS*” means the United States Treasury Certificate of Indebtedness, Notes and Bonds of the State and Local Government Series.

“*Transferred Proceeds*” means amounts actually or constructively received from the sale of the Prior Bonds, plus investment earnings thereon, and transferred proceeds, if any, of the Prior Bonds that have not been spent prior to the date principal on the Refunded Bonds is discharged by the Bonds to the extent allocated to the Bonds under the Regulations.

“*Yield*” means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation produces an amount equal to the obligation’s purchase price (or in the case of the Bonds, the Issue Price as established in paragraph 5.1), including accrued interest. For purposes of computing the Yield on the Bonds and on investments, the same compounding interval (which must be an interval of not more than one year) and standard financial conventions (such as a 360-day year) must be used.

“*Yield Reduction Payment*” means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the IRS may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

2.1. *Purpose of the Bonds.* The Bonds are being issued solely and exclusively to refund the Refunded Bonds in a prudent manner consistent with the revenue needs of the District. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Resolution.

2.2. *Bond Fund Investment.* The investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Bond Fund will be commingled with substantial revenues from the governmental operations of the District, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Bond Fund have not been earmarked or restricted by the Board for a designated purpose.

2.3. *Reimbursement.* None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

2.4. *Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to pay principal of, interest on and redemption premium (if any) on the Refunded Bonds, other than Sale Proceeds and investment earnings thereon used for the following:

- (a) Costs of Issuance and Qualified Administrative Costs of Investments;

(b) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;

(c) amounts, if any, transferred from the Escrow Account to the Bond Fund and used to pay interest on the Bonds, as described in paragraph 3.6;

(d) fees for the Credit Facility.

2.5. *Consequences of Contrary Expenditure.* The District acknowledges that if Sale Proceeds and investment earnings thereon are spent for non-capital expenditures other than as permitted by paragraph 2.4 hereof, a like amount of then available funds of the District will be treated as unspent Sale Proceeds.

2.6. *Payments to District or Related Persons.* The District acknowledges that if Sale Proceeds or investment earnings thereon are transferred to or paid to the District or any member of the same Controlled Group as the District, those amounts will not be treated as having been spent for federal income tax purposes. Any Sale Proceeds or investment earnings thereon that are transferred to or paid to the District or any member of the same Controlled Group as the District will remain Sale Proceeds or investment earnings thereon, and thus Gross Proceeds, until such amounts are allocated to expenditures for federal income tax purposes. If the District does not otherwise allocate any such amounts to expenditures permitted under this Resolution, any such amounts will be allocated for federal income tax purposes to the next expenditures, not otherwise paid out of Sale Proceeds or investment earnings thereon or the proceeds of any other borrowing, for interest on the Bonds. The District will consistently follow this accounting method for federal income tax purposes.

2.7. *Investment of Bond Proceeds.* No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

2.8. *Hedges.* Neither the District nor any member of the same Controlled Group as the District has entered into or expects to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds or the Prior Bonds. The District acknowledges that any such hedge could affect, among other things, the calculation of Bond Yield under the Regulations. The IRS could recalculate Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction. The District acknowledges that if it wishes to take any such hedge into account in determining Bond Yield, various requirements under the Regulations, including prompt identification of the hedge with the Bonds on the District's books and records, need to be met.

The District also acknowledges that if it acquires a hedging contract with an investment element (including *e.g.*, an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of

Gross Proceeds of the Bonds, and be subject to the fair market purchase price rules, rebate and Yield restriction. The District agrees not to use proceeds of the Bonds to pay for any such hedging contract in whole or in part. The District also agrees that it will not give any assurances to any Bondholder, the Credit Facility Provider, or any other credit or liquidity enhancer with respect to the Bonds that any such hedging contract will be entered into or maintained. The District recognizes that if a portion of a hedging contract is determined to be an investment of Gross Proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

2.9. *No Payment Adjustments from Creation of the Escrow Account.* Neither the District nor any member of the same Controlled Group as the District will receive a rebate or credit or reduction in amounts payable for interest or credit enhancement resulting from any payments having been made in connection with the issuance of the Bonds or the refunding of the Refunded Bonds or the establishment of a refunding escrow.

2.10. *Internal Revenue Service Audits.* The IRS has not contacted the District regarding the Prior Bonds or any other obligations issued by or on behalf of the District. To the best of the knowledge of the District, no such obligations of the District are currently under examination by the IRS.

3.1. *Use of Proceeds.* (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Resolution at the time of Closing are described in the preceding Section of this Resolution.

(b) Only the funds and accounts described in said Section will be funded at Closing. There are no other funds or accounts created under this Resolution, other than the Rebate Fund if it is created as provided in paragraph 4.1 hereof.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) Costs of Issuance incurred in connection with the issuance of the Bonds to be paid by the District will be paid at the time of Closing.

3.2. *Purpose of Bond Fund.* The Bond Fund (other than the Reserve Portion of the Bond Fund) will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund (other than the Reserve Portion of the Bond Fund) will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Bond Fund (other than the Reserve Portion of the Bond Fund) for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

The District will levy taxes to produce an amount sufficient to pay all principal of and interest on the Bonds in each bond year. To minimize the likelihood of an

insufficiency, the amount extended to pay the Bonds may in most years be in excess of the amount required to pay principal and interest within one year of collection. Nevertheless, except for the Reserve Portion of the Bond Fund, the Bond Fund will be depleted each year as described above. The Reserve Portion of the Bond Fund will constitute a separate account not treated as part of the bona fide debt service fund. The Reserve Portion of the Bond Fund is subject to Yield restriction requirements except as it may otherwise be excepted as provided in 5.2 below. It is also subject to rebate requirements.

3.3. *The Prior Bonds.* (a) The Prior Bonds were issued on September 25, 2008, by the District for the purpose of paying the cost of school building improvements. As of the date three years after the Prior Bonds were issued all Prior Bond Proceeds, including investment earnings thereon, were completely spent.

(b) As of the date hereof, no Prior Bond Gross Proceeds or money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Prior Bonds or any credit enhancement or liquidity device relating to the foregoing, or is otherwise restricted to pay the District's obligations other than amounts on deposit in the Escrow Account.

(c) The Prior Bond Fund was used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Prior Bonds in each bond year. The Prior Bond Fund was depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (i) the earnings on the investment of moneys in such account for the immediately preceding bond year or (ii) one-twelfth (1/12th) of the principal and interest payments on the Prior Bonds.

(d) At the time the Prior Bonds were issued, the District reasonably expected to spend at least 85% of the proceeds (including investment earnings) of the Prior Bonds to be used for non-refunding purposes for such purposes within three years of the date the Prior Bonds were issued and such proceeds were so spent. Not more than 50% of the proceeds of the Prior Bonds to be used for non-refunding purposes was invested in investments having a substantially guaranteed Yield for four years or more.

(e) The Refunded Bonds subject to redemption prior to maturity will be called on the first optional redemption date of the Refunded Bonds.

(f) The Refunded Bonds do not include, directly or indirectly in a series, any advance refunding obligations.

(g) The District acknowledges that (i) the final rebate payment with respect to the Prior Bonds may be required to be made sooner than if the refunding had not occurred and (ii) the final rebate is due 60 days after the Prior Bonds are paid in full.

3.4. *The Escrow Account.* (a) The Escrow Account will be funded at the Closing.

(b) The uninvested cash and anticipated receipts from the Government Securities on deposit in the Escrow Account, without regard to any reinvestment thereof, will be sufficient to pay, when due, principal of and interest on the Refunded Bonds as such become due and payable and to redeem the outstanding principal amount of any callable Refunded Bonds on the first optional redemption date of such callable Refunded Bonds, at the applicable redemption price thereof.

(c) Any moneys remaining on deposit in the Escrow Account upon the final disbursement of funds sufficient to pay principal and interest of the Refunded Bonds shall, subject to the limits in paragraph 7.11, be transferred by the Escrow Agent to the Bond Fund to be used to pay interest on the Bonds.

(d) The Escrow Account may be structured for certain future reinvestments in SLGS. At certain times, the United States Treasury may suspend the sale of SLGS. In such case, the Escrow Agent has been instructed to purchase alternative investments and pay the net earnings on such alternative investments to the District. Except as provided in paragraph 7.10 or in this Section, the District will pay any such amounts received from the Escrow Agent to the United States Treasury as a Yield Reduction Payment, accompanied by an appropriate tax form (currently Form 8038-T). Such form shall be completed in accordance with the Regulations and Revenue Procedure 95-47. Such a payment to the United States will only be required if the Yield on the Bond proceeds subject to Yield restriction on deposit in the Escrow Account is greater than the Yield on the Bonds.

3.5. *No Other Gross Proceeds.* (a) Except for the Bond Fund and except for investment earnings that have been commingled as described in paragraph 2.2 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the District nor any member of the same Controlled Group as the District has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund or account with respect to the Bonds (other than the Rebate Fund);

(iii) Transferred Proceeds;

(iv) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or liquidity device with respect to the Bonds, even if financial difficulties are encountered.

(vi) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (*e.g.*, any amount pledged to secure the Bonds held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the Bonds); or

(vii) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i), (ii) or (iii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) One hundred twenty percent of the average reasonably expected remaining economic life of the Prior Project is at least 8 years. The weighted average maturity of the Bonds does not exceed 8 years and does not exceed 120 percent of the average reasonably expected economic life of the Prior Project. The term of the Bonds is not longer than reasonably necessary for the governmental purposes of the Bonds. The maturity, sinking fund and amortization schedule of the Bonds (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (*i.e.*, having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

3.8. *Final Allocation of Proceeds.* Subject to the requirements of this Section, including those concerning working capital expenditures in paragraph 2.4, the District may generally use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments thereon, and expenditures. The District must account for the final allocation of proceeds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the property with respect to which the expenditure is made is Placed-in-Service. This allocation must be made in any event by the date 60 days after the fifth anniversary of the issue date of the Bonds or the date 60 days after the retirement of the Bonds, if earlier.

Reasonable accounting methods for allocating funds include any of the following methods if consistently applied: a specific tracing method; a Gross Proceeds spent first method; a first-in, first-out method, or a ratable allocation method.

4.1. Compliance with Rebate Provisions. The District covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The District will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law.

The District is hereby authorized to create and establish a special fund to be known as the Rebate Fund (the "*Rebate Fund*"), which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Resolution. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Moneys in the Rebate Fund (including earnings and deposits therein) shall be held and used for any required payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Resolution.

4.2. Records. The District agrees to keep and retain or cause to be kept and retained for the period described in paragraph 7.9 adequate records with respect to the investment of all Gross Proceeds and any amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment ceases to be Gross Proceeds on a date other than the date such investment is sold or is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

4.3. Fair Market Value; Certificates of Deposit and Investment Agreements. In making investments of Gross Proceeds and any amounts in the Rebate Fund the District shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below. Investments in federally insured deposits or accounts, including certificates of deposit, may not be made except as allowed under paragraph 5.6 hereof.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential

provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other Person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the District or any other Person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

A single investment, or multiple investments awarded to a provider based on a single bid, may not be used for funds subject to different rules relating to rebate or yield restriction.

(c) If a GIC is purchased, the District will retain the following records with its bond documents until three years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under subparagraph (b)(xi) of this paragraph;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in (a) or (b) of this paragraph 4.3 and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an

established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an “established securities market” includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm’s length and had the rebate or Yield restriction requirements not been relevant to the District. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this paragraph 4.3.

The foregoing provisions of this paragraph 4.3 satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this paragraph 4.3 are contained herein for the protection of the District, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The District will contact Bond Counsel if it does not wish to comply with the provisions of this paragraph 4.3.

4.4. Arbitrage Elections. The District hereby waives its right to invest Sale Proceeds of the Bonds and investment earnings thereon in the Escrow Account in investments with Yields higher than Bond Yield. The President and Secretary of the Board and the School Treasurer of the District are each hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

4.5. Small Issuer Exception. (a) The District is a governmental unit that has the power to impose a tax or to cause another entity to impose a tax of general applicability (not limited to a small number of Persons) that, when collected, may be used for the governmental purposes of the District. The power to impose such tax is not contingent on approval by another governmental unit.

(b) 95% or more of the Sale Proceeds and investment earnings thereon will be used for local governmental activities of the District.

(c) The District is not subject to the Control of any entity, and there are no entities subject to Control of the District that during calendar year 2016 issued or are expected to issue tax-exempt obligations, or any qualified zone academy bonds, qualified school construction bonds, or any other obligations subject to the arbitrage restrictions of Section 148 of the Code of any kind (“*Tax Advantaged Bonds*”). During calendar year

2016, the District has not issued and does not expect to issue tax-exempt obligations or Tax Advantaged Bonds on behalf of any other entity. The District has not borrowed and does not expect to borrow the proceeds or otherwise use the proceeds of any tax-exempt obligations or Tax Advantaged Bonds issued by another entity during calendar year 2016.

(d) The par amount of the Bonds does not exceed \$1,000,000 and the Issue Price of the Bonds does not exceed \$1,000,000.

(e) In calendar year 2016, no entity has issued and the District does not expect any entity to issue obligations that do not provide a material benefit to that entity and which, but for the size limitations of the small issuer exception of the Rebate Provisions, would have been or would be issued (A) by or on behalf of the District or (B) by any entity subject to Control by the District (including any entity that might hereafter come into existence). The District will receive a substantial benefit from the projects financed or refinanced by the Bonds.

(f) The Bonds do not currently refund any Refunded Bonds. The Refunded Bonds will remain unpaid for at least 91 days after Closing. The amount of the Bonds for purposes of small issuer rebate status is no more than the greater of the par amount or the Issue Price of the Bonds.

(g) In calendar year 2016, no tax-exempt obligations or Tax-Advantaged Bonds of any kind have been issued or are reasonably expected to be issued (A) by or on behalf of the District or (B) by any entity subject to Control by the District (including any entity that may hereafter come into existence) other than the Bonds.

(h) The Refunded Bonds were all exempt from the rebate requirement because, among other requirements the District was a qualified small issuer in the year or years that the Refunded Bonds were issued.

(i) The final maturity date of the Bonds is not more than 30 years after the earliest issue date of the Prior Bonds or any bonds refunded by the Refunded Bonds.

(j) The weighted average maturity of the Bonds does not exceed the remaining weighted average maturity of the Refunded Bonds.

(k) The District acknowledges that the future issuance of tax-exempt obligations, or tax-advantaged bonds by the District or any entity subject to the Control of the entity or other actions contrary to the expectations of this paragraph 4.5 could cause the proceeds of the Bonds to be subject to the rebate requirement of Section 148(f) of the Code. The District covenants to make all payments of rebate under Section 148(f) of the Code with respect to the Bonds as required.

5.1. Issue Price. The District sold the Bonds to the Purchaser for the price hereinabove provided for. The Purchaser has certified, among other things, that it does not intend to resell the Bonds.

5.2. *Yield Limits.* (a) Except as provided in paragraph (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds.

(b) The following may be invested without Yield restriction:

(i) amounts qualifying for a temporary period consisting of amounts on deposit in the Bond Fund (except for capitalized interest and the Reserve Portion of the Bond Fund) that have not been on deposit under this Resolution for more than 13 months, so long as the Bond Fund (other than the Reserve Portion of the Bond Fund) continues to qualify as a bona fide debt service fund as described in paragraph 3.2 hereof;

(ii) amounts qualifying for other exceptions consisting of:

(A) an amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;

(B) amounts invested in Qualified Tax Exempt Obligations;

(C) amounts in the Rebate Fund;

(D) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(E) all amounts derived from the investment of Sale Proceeds or investment earnings thereon (except for investments in the Escrow Account) for a period of one year from the date received.

5.3. *Yield Limits on Prior Bond Proceeds.* Except for an amount not to exceed the lesser of \$100,000 or five percent of Prior Bond Proceeds, the District acknowledges that all Prior Bond Proceeds must be invested at market prices and at a Yield not in excess of the Yield on the Prior Bonds.

5.4. *Continuing Nature of Yield Limits.* Except as provided in paragraph 7.10 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

5.5. *Federal Guarantees.* Except as otherwise permitted by the Regulations, no portion of the payment of principal of or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be

guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). This paragraph does not apply to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

5.6. *Federally Guaranteed Investments.* (a) Certain Gross Proceeds may not be invested in a manner that is considered to create a federal guarantee. The restrictions in this paragraph 5.6 apply to all Gross Proceeds except:

(i) amounts on deposit in the Prior Project Fund prior to the earlier of three years after the Prior Bonds were issued or the date the District no longer expects to spend all such amount;

(ii) amounts on deposit in the Bond Fund (other than the Reserve Portion of the Bond Fund) to the extent the Bond Fund qualifies as a bona fide debt service fund described in paragraph 3.2;

(iii) amounts in the Escrow Account.

(b) If the District holds any Gross Proceeds other than those listed in the preceding paragraph (a), then any such Gross Proceeds in an amount in excess of five percent of the Sale Proceeds shall not be invested in:

(i) federally insured deposits or accounts, such as bank accounts and C.D.s;

(ii) obligations of or directly or indirectly guaranteed, in whole or in part, by the United States (or any agency or instrumentality of the United States), other than the following:

(a) United States Treasury Obligations;

(b) obligations issued by the Resolution Funding Corporation pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended by Section 511 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, or any successor provision (*e.g.*, Refcorp Strips); and

(c) obligations guaranteed by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power

Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

Because of these investment limitations, after the date three years after Closing, any amounts remaining in the Project Fund must be invested in U.S. Treasury obligations (including obligations of the State and Local Government Series, known as SLGS) or otherwise invested to avoid violating the restrictions set forth in this paragraph 5.6.

5.7. *Escrow Yield.* The Yield on the Government Securities purchased with Sale Proceeds of the Bonds, taking into account any Transferred Proceeds, is not greater than the Yield on the Bonds.

5.8. *Treatment of Certain Credit Facility Fees.* Based upon representations made in a Certificate of Purchaser and a Certificate of the Credit Facility Provider given separately and made a part of the transcript for the Bonds at Closing, which the District has no reason to believe are untrue, and the representations contained in this Section, the fee paid to the Credit Facility Provider with respect to the Credit Facility may be treated as interest in computing Bond Yield.

Neither the District nor any member of the same Controlled Group as the District is a Related Person as defined in Section 144(a)(3) of the Code to the Credit Facility Provider. The fee paid to the Credit Facility Provider does not exceed ten percent of the Sale Proceeds. Other than the fee paid to the Credit Facility Provider, neither the Credit Facility Provider nor any person who is a Related Person to the Credit Facility Provider within the meaning of Section 144(a)(3) of the Code will use any Sale Proceeds or investment earnings thereon. The fee paid for the Credit Facility does not exceed a reasonable, arm's length charge for the transfer of credit risk. The fee does not include any payment for any direct or indirect services other than the transfer of credit risk.

6.1. *Payment and Use Tests.* (a) No more than five percent of the Prior Bond Proceeds and the Bonds each considered separately, and investment earnings thereon were used, directly or indirectly, in whole or in part, in any Private Business Use. The District acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Bonds or on the Prior Bonds considered separately will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the District or a member of the same Controlled Group as the District) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of \$1,000,000 or five percent of the sum of the proceeds of the Prior Bonds and investment earnings thereon were used, and no more than the lesser of \$1,000,000 or five percent of the sum of the Sale Proceeds of the Bonds and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons. The District acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Prior Project other than a state or local governmental unit will use more than five percent of the Prior Project, in the aggregate, on any basis other than the same basis as the general public.

6.2. *IRS Form 8038-G.* The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, is true and complete. The District will file Form 8038-G (and all other required information reporting forms) in a timely manner.

6.3. *Bank Qualification.* (a) The District hereby designates each of the Bonds as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code.

(b) The District has not entered into and will not enter into any agreements under which obligations issued by any other entity in calendar year 2016 were or will be allocated to the District for purposes of Section 265(b)(3) of the Code.

(c) The District is not subject to the Control of any entity, and there are no entities subject to Control of the District that issued or may issue tax-exempt obligations during calendar year 2016. During calendar year 2016, the District has not and will not issue tax-exempt bonds on behalf of any other entity. The District has not and will not borrow the proceeds or otherwise use the proceeds of any tax-exempt bonds issued by another entity during calendar year 2016.

(d) The par amount of the Bonds does not exceed \$10,000,000 and the Issue Price of the Bonds does not exceed \$10,000,000. The Bonds have not been sold in conjunction with any other obligations.

(e) In calendar year 2016, other than the Bonds, no tax-exempt obligations of any kind have been issued, are reasonably expected to be issued, or will be issued (A) by or on behalf of the District or (B) by any entity subject to Control by the District (including any entity which may hereafter come into existence).

(f) In calendar year 2016, no entity has issued or will issue tax-exempt obligations which, but for the \$10,000,000 limitations of Section 265(b)(3) of the Code would have been or would be issued (A) by or on behalf of the District or (B) by any

entity subject to Control by the District (including any entity which may hereafter come into existence). The District will receive substantial benefits from the projects financed and refinanced by the Bonds.

(g) The District may take an action or permit an action to be taken that is contrary to the requirements of this paragraph 6.3 only if, in addition to the requirements of paragraph 7.10, the action will not adversely affect the treatment of the Bonds as “qualified tax-exempt obligations” for the purpose and within the meaning of Section 265(b)(3) of the Code and the District obtains an opinion of Bond Counsel to that effect.

7.1. Termination. The terms and provisions set forth in this Section shall terminate at the later of (a) 75 days after the later of the date the Bonds or the Prior Bonds have been fully paid and retired or (b) the date on which all payments, if any, required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of paragraphs 4.2, 4.3(c) and 7.10 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

7.2. Separate Issue. Since a date that is 15 days prior to the date of sale of the Bonds by the District to the Purchaser, neither the District nor any member of the same Controlled Group as the District has sold or delivered any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the District nor any member of the same Controlled Group as the District will sell or deliver within 15 days after the date of sale of the Bonds any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

7.3. No Sale of the Prior Project. (a) Other than as provided in the next sentence, neither the Prior Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the District of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity date of the Bonds. The District may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the District of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity of the Bonds, provided: (A) the weighted average maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the District reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the District deposits amounts received from the disposition in a Commingled Fund with substantial tax or other governmental revenues and the District reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The District acknowledges that if property financed with the Prior Bonds is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a “deliberate action” within the meaning of the Regulations that may require prompt remedial actions to prevent interest on the Bonds from becoming included in gross income for federal income tax purposes. The District shall promptly contact Bond Counsel if a sale or other disposition of Bond-financed property in a manner contrary to (a) above is considered by the District.

7.4. *Purchase of Bonds by District.* The District will not purchase any of the Bonds except to cancel such Bonds.

7.5. *First Call Date Limitation.* The period between the date of Closing and the first call date of the Bonds is not more than 10-1/2 years.

7.6. *Registered Form.* The District recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the District agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

7.7. *Future Events.* The District acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein. The District shall promptly contact Bond Counsel if such changes do occur.

7.8. *Post-Issuance Compliance Policy.* The District acknowledges that the IRS encourages issuers of tax-exempt bonds to adopt written post-issuance compliance policies in addition to its bond documents, and provides certain potential benefits to issuers that do so. Generally, a reference to reliance on the bond documents, without more, will not qualify as sufficient written procedures for these purposes.

The District has adopted written post-issuance compliance policies that meet the foregoing, which are contained in this Resolution. The post-issuance compliance policies do not constitute part of this Section, and the District may modify or eliminate any post-issuance compliance policies without the consent of the holders of the Bonds and without regard to paragraph 7.10.

7.9. *Records Retention.* The District agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in this Resolution and to show that all tax-exempt bond related tax returns related to the Bonds submitted or required to be submitted to the IRS are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including this Resolution and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (*i.e.*, copies of leases,

management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under paragraphs 4.2 and 4.3 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

7.10. Permitted Changes; Opinion of Bond Counsel. Any restriction or covenant contained herein need not be observed and any provision of this Section may be changed or amended, only if (in addition to any requirements for a particular change contained elsewhere in this Section) such nonobservance, change or amendment will not result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds or the inclusion of interest on the Bonds as an item of tax preference in computing the alternative minimum tax for individuals or corporations under the Code and the District receives an opinion of Bond Counsel to such effect.

7.11. Excess Proceeds. Gross Proceeds of the Bonds and investment earnings thereon and all unspent Prior Bond Proceeds as of the date of Closing and investment earnings thereon do not exceed by more than one percent of the Sale Proceeds of the Bonds the amount that will be used for:

- (i) payment of principal of or interest or call premium on the Refunded Bonds;
- (ii) payment of pre-issuance accrued interest on the Bonds and interest on the Bonds that accrues for a period up to the completion date of any capital project for which the prior issue was issued, plus one year;
- (iii) payment of cost of issuance of the Bonds;
- (iv) payment of administrative costs allocable to repaying the Bonds, carrying and repaying the Bonds or investments of the Bonds;
- (v) Prior Bond Proceeds that will be used or maintained for the governmental purpose of the Refunded Bonds;
- (vi) interest on purpose investments;
- (vii) replacement proceeds in a sinking fund for the refunding issue; and
- (viii) costs of the Credit Facility.

7.12. *Successors and Assigns.* The terms, provisions, covenants and conditions of this Section shall bind and inure to the benefit of the respective successors and assigns of the Board and the District.

7.13. *Expectations.* The Board has reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. On the basis of the facts and estimates contained herein, the District has adopted the expectations contained herein. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

The District also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Board hereby authorizes the officials of the District responsible for issuing the Bonds, the same being the President and Secretary of the Board and the School Treasurer who receives the taxes of the District, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest in the Bonds will be exempt from federal income taxation. In connection therewith, the District and the Board further agree: (a) through their 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 Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (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 16. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 17. Duties of Bond Registrar. If requested by the Bond Registrar, the President and Secretary of the Board are authorized to execute the Bond Registrar's standard form of agreement between the District and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

(a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the District upon request, but otherwise to keep such list confidential;

(c) to give notice of redemption of Bonds as provided herein;

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

(e) to furnish the District at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the District at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

Section 18. Provisions a Contract. The provisions of this Resolution shall constitute a contract between the District and the owners of the outstanding Bonds. All covenants relating to the Bonds and the conditions and obligations imposed by Section 15 of the Act are enforceable by any holder of the Bonds affected, any taxpayer of the District and the People of the State of Illinois acting through the Attorney General or any designee.

Section 19. Municipal Bond Insurance. In the event the payment of principal and interest on the Bonds is insured pursuant to a municipal bond insurance policy (the "*Municipal Bond Insurance Policy*") issued by a bond insurer (the "*Bond Insurer*"), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the District and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer upon

payment of the Bonds by the Bond Insurer, amendment hereof, or other terms, as approved by the President of the Board on advice of counsel, his or her approval to constitute full and complete acceptance by the District of such terms and provisions under authority of this Section.

Section 20. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the District to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds and other 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 (including the Bonds, the “*Tax Advantaged Obligations*”). Further, it is necessary and in the best interest of the District that (i) the Board adopt policies with respect to record-keeping and post issuance compliance with the District’s covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least annually review the District’s Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations. The Board and the District hereby adopt the following Record-Keeping Policy:

(a) *Compliance Officer Is Responsible for Records.* The Director of Business Services of the District (the “*Compliance Officer*”) is hereby designated as the keeper of all records of the District with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the Board at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (i) the proceedings of the District authorizing the Tax Advantaged Obligations, (ii) any offering document with respect to the offer and sale of the Tax Advantaged Obligations, (iii) any

legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the District with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the Board stating whether or not the District has any rebate liability to the United States Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Board.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the District must meet in order to maintain the tax-exemption of interest paid on its Tax Advantaged Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on its Tax Advantaged Obligations, and applicable tax credits or other tax benefits arising from its Tax Advantaged Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Advantaged Obligations is entitled to be excluded from “gross income” for federal income tax purposes, that the District is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on its Tax Advantaged Obligations, and the entitlement of holders of any Tax Advantaged Obligations to any tax credits or other tax benefits, respectively. Notwithstanding any other policy of the District, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all Tax Advantaged Obligation proceeds for their intended purposes, and records showing the assets and other property financed by such disbursements;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held or in which funds to be used for the payment of principal of or interest on any Tax Advantaged Obligations has been held, or which has provided security to the holders or credit enhancers of any Tax Advantaged Obligations;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives

entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the United States Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the United States Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the District, including any leases (the "*Contracts*"), with respect to the use of any property owned by the District and acquired, constructed or otherwise financed or refinanced with the proceeds of the Tax Advantaged Obligations effective at any time when such Tax Advantaged Obligations are, will or have been outstanding. Copies of contracts covering no more than 50 days of use and contracts related to District employees need not be retained.

(e) *IRS Examinations or Inquiries.* In the event the IRS commences an examination of any issue of Tax Advantaged Obligations or requests a response to a compliance check, questionnaire or other inquiry, the Compliance Officer shall inform the Board of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination or inquiry.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Board, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the District has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section.

The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the District's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Resolution and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the "*Tax Agreements*") to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these procedures. The Compliance Officer will review this Resolution and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver.* The procedures described in this Section are only for the benefit of the District. No other person (including an owner of a Tax Advantaged Obligation) may rely on the procedures included in this Section. The District may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of a resolution by the Board. Additional procedures may be required for Tax Advantaged Obligations the proceeds of which are used for purposes other than capital governmentally owned projects or refundings of such, including tax increment financing bonds, bonds financing output facilities, bonds financing working capital, or private activity bonds. The District also recognizes that these procedures may need to be revised in the event the District enters into any derivative products with respect to its Tax Advantaged Obligations.

Section 21. Severability. If any section, paragraph 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.

Section 22. Repeal. All 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 September 27, 2016.

President, Board of Education

Secretary, Board of Education

EXHIBIT A

_____, 20__

Amalgamated Bank of Chicago
One West Monroe Street
Chicago, Illinois 60603

Re: Community Unit School District Number 200,
Boone and Winnebago Counties, Illinois
General Obligation Refunding Bonds (Alternate Revenue Source), Series 20__

Ladies and Gentlemen:

Community Unit School District Number 200, Boone and Winnebago Counties, Illinois (the "*District*"), by resolution adopted by its Board of Education on the 27th day of September, 2016 (the "*Bond Resolution*"), has authorized the issue and delivery of \$_____ General Obligation Refunding Bonds (Alternate Revenue Source), Series 20__, dated _____, 20__ (the "*Bonds*"). The District has authorized by the Bond Resolution that proceeds of the Bonds be used to pay and redeem on January 1, 2018, the District's outstanding and unpaid General Obligation Bonds (Alternate Revenue Source), Series 2008A, dated September 25, 2008, due on January 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR	PRINCIPAL AMOUNT	RATE OF INTEREST
2023	\$350,000	6.75%
2028	480,000	6.75%

(the "*Refunded Bonds*").

The District hereby deposits with you \$_____ from the proceeds of the Bonds and \$_____ from funds of the District on hand and lawfully available and you are hereby instructed as follows with respect thereto:

1. Upon deposit, you are directed to purchase U.S. Treasury Securities State and Local Government Series (Certificates of Indebtedness) (the "*SLGs*") in the amount of \$_____ and maturing as described in *Schedule I* hereto. You are further instructed to fund a beginning cash escrow deposit on demand in the amount of \$_____. The beginning deposit and the SLGs are to be held in an irrevocable trust fund account (the "*Trust Account*") for the District to the benefit of the holders of the Refunded Bonds.

2. You shall hold the SLGs and interest income or profit derived therefrom and all uninvested cash in the Trust Account for the sole and exclusive benefit of the holders of the Refunded Bonds final until payment of the Refunded Bonds on January 1, 2018, is made.

3. You shall promptly collect the principal, interest or profit from the SLGs and promptly apply the same, altogether with the initial cash deposit, as necessary to the payment of the Refunded Bonds as herein provided.

4. The District has called the Refunded Bonds for redemption and payment prior to maturity on January 1, 2018. You are hereby directed to cause the bond registrar and paying agent for the Prior Bonds, Amalgamated Bank of Chicago, Chicago, Illinois (the "*Bond Registrar*"), to provide for and give timely notice of the call for redemption of the Refunded Bonds. The form and time of the giving of such notice regarding the Refunded Bonds shall be as specified in the resolution authorizing the issuance of the Refunded Bonds.

5. You shall remit to the Bond Registrar on the following dates the following amounts:

DATE	AMOUNT
January 1, 2017	\$ 28,012.50
July 1, 2017	28,012.50
January 1, 2018	858,012.50

such amounts being sufficient to pay the principal of and interest on the Refunded Bonds on such dates, and such remittances shall fully release and discharge you from any further duty or obligation thereto under this Agreement.

6. You shall make no payment of fees, due or to become due, of the bond registrar and paying agent on the Bonds or the Refunded Bonds. The District shall pay the same as they become due.

7. If at any time it shall appear to you that the available proceeds of the SLGs and deposits on demand in the Trust Account will not be sufficient to pay the principal of and interest on the Refunded Bonds as set forth above, you shall notify the District not less than five (5) days prior to such date and the District shall make up the anticipated deficit from any funds legally available for such purpose so that no default in the making of any such payment will occur.

8. You shall also give, or shall cause the Bond Registrar to give, notice of the call of the Refunded Bonds, on or before the date the notice of such redemption is given to the holders of the Refunded Bonds, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Information with respect to procedures for submitting notice can be found at <https://msrb.org>.

9. That, upon final disbursement of funds sufficient to pay the Refunded Bonds as hereinabove provided for, you shall transfer any balance remaining in the Trust Account to the District and thereupon this Agreement shall terminate.

Very truly yours,

COMMUNITY UNIT SCHOOL DISTRICT
NUMBER 200, BOONE AND
WINNEBAGO COUNTIES, ILLINOIS

By _____
President, Board of Education

Accepted this ____ day of _____, 20__.

AMALGAMATED BANK OF CHICAGO,
Chicago, Illinois

By _____
Its _____

Member _____ moved and Member _____
seconded the motion that said resolution as presented and read by title be adopted.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt said resolution.

Upon the roll being called, the following members voted AYE: _____

The following members voted NAY: _____

Whereupon the President declared the motion carried and said resolution adopted, approved and signed the same in open meeting and directed the Secretary to record the same in the records of the Board of Education of Community Unit School District Number 200, Boone and Winnebago Counties, Illinois, which was done.

Other business not pertinent to the adoption of said resolution was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF BOONE)

CERTIFICATION OF MINUTES AND RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of Community Unit School District Number 200, Boone and Winnebago Counties, Illinois (the “Board”), 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 27th day of September, 2016, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$1,000,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2015, of Community Unit School District Number 200, Boone and Winnebago Counties, Illinois, for the purpose of refunding certain of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2008A, of said School District, providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds and authorizing the sale of said bonds to the purchaser thereof.

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 96 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 96-hour period preceding said meeting, that 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 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, this 27th day of September,
2016.

Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF BOONE)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of the County of Boone, Illinois, and as such official I do further certify that on the ____ day of _____, 20__, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$1,000,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2015, of Community Unit School District Number 200, Boone and Winnebago Counties, Illinois, for the purpose of refunding certain of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2008A, of said School District, providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds and authorizing the sale of said bonds to the purchaser thereof.

duly adopted by the Board of Education of Community Unit School District Number 200, Boone and Winnebago Counties, Illinois, on the 27th day of September, 2016, 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 and the seal of said County, this ____ day of _____, 20__.

County Clerk of the County of Boone,
Illinois

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF WINNEBAGO)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of the County of Winnebago, Illinois, and as such official I do further certify that on the ____ day of _____, 20__, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$1,000,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2015, of Community Unit School District Number 200, Boone and Winnebago Counties, Illinois, for the purpose of refunding certain of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2008A, of said School District, providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds and authorizing the sale of said bonds to the purchaser thereof.

duly adopted by the Board of Education of Community Unit School District Number 200, Boone and Winnebago Counties, Illinois, on the 27th day of September, 2016, 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 and the seal of said County, this ____ day of _____, 20__.

County Clerk of the County of Winnebago,
Illinois

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF BOONE)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer who received the taxes of Community Unit School District Number 200, Boone and Winnebago Counties, Illinois (the “*District*”), and as such official I do further certify that on the 27th day of September, 2016, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$1,000,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2015, of Community Unit School District Number 200, Boone and Winnebago Counties, Illinois, for the purpose of refunding certain of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2008A, of said School District, providing for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds and authorizing the sale of said bonds to the purchaser thereof.

duly adopted by the Board of Education of the District on the 27th day of September, 2016, and that the same has been deposited in the official files and records of my office.

I do further certify that the description of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2008A, dated September 25, 2008, of the District set forth in the Escrow Agreement referred to in Section 14 of said resolution is accurate, and that said bonds are presently outstanding and unpaid and are binding and subsisting legal obligations of the District and have never been refunded by the District.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 27th day of September,
2016.

School Treasurer