

**Sauk Valley Community College
March 22, 2021**

Action Item 4.13

Topic: **RESOLUTION authorizing and providing for an Installment Purchase Agreement for the purpose of paying the cost of purchasing real or personal property, or both, in and for Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois, and for the issue of \$4,625,000 General Obligation Debt Certificates (Limited Tax), Series 2021, of said Community College District, evidencing the rights to payment under said Agreement, providing for the security for and means of payment under said Agreement of said Certificates, and authorizing the sale of said Certificates to Sauk Valley Bank & Trust Company.**

College Health Metric: **Campus Environment: College facilities and grounds are clean and updated. The campus is safe, secure and welcoming**

Presented By: **Dr. David Hellmich and Kent Sorenson**

Presentation:

The College issues debt certificates to renovate, repair, and equip campus facilities and functions and complete site improvements.

Recommendation:

The administration recommends the Board approve the RESOLUTION authorizing and providing for an Installment Purchase Agreement for the purpose of paying the cost of purchasing real or personal property, or both, in and for Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois, and for the issue of \$4,625,000 General Obligation Debt Certificates (Limited Tax), Series 2021, of said Community College District, evidencing the rights to payment under said Agreement, providing for the security for and means of payment under said Agreement of said Certificates, and authorizing the sale of said Certificates to Sauk Valley Bank & Trust Company.

RESOLUTION authorizing and providing for an Installment Purchase Agreement for the purpose of paying the cost of purchasing real or personal property, or both, in and for Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois, and for the issue of \$4,625,000 General Obligation Debt Certificates (Limited Tax), Series 2021, of said Community College District, evidencing the rights to payment under said Agreement, providing for the security for and means of payment under said Agreement of said Certificates, and authorizing the sale of said Certificates to Sauk Valley Bank & Trust Company.

WHEREAS, Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois (the "*District*"), is a community college district of the State of Illinois operating under and pursuant to the Public Community College Act of the State of Illinois, as amended (the "*Public Community College Act*"), the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"), and in particular, the provisions of Section 17(b) of the Debt Reform Act (the "*Installment Purchase Provisions*") and all other Omnibus Bond Acts of the State of Illinois, in each case, as supplemented and amended (collectively, "*Applicable Law*"); and

WHEREAS, the Board of Trustees of the District (the "*Board*") has considered the needs of the District and, in so doing, the Board has deemed and does now deem it advisable, necessary, and for the best interests of the District to renovate, repair and equip campus facilities and functions and complete site improvements of the District (the "*Project*"), all as shown on preliminary plans and cost estimates on file with and approved by the Board; and

WHEREAS, the Board has determined the total cost of the Project and expenses incidental thereto, including financial, legal, architectural, and engineering services related to such work and to the Agreement hereinafter provided for in this Resolution (collectively "*Related Expenses*") to be not less than \$4,625,000 plus estimated investment earnings which may be received on said sum prior to disbursement; and

WHEREAS, sufficient funds of the District are not available to pay the costs of the Project and Related Expenses, and it will, therefore, be necessary to borrow money in the amount of \$4,625,000 for the purpose of paying such costs; and

WHEREAS, pursuant to the Installment Purchase Provisions, the District has the power to purchase real or personal property through agreements that provide that the consideration for the purchase may be paid through installments made at stated intervals for a period of no more than 20 years, to sell, convey and reacquire either real or personal property upon any terms and conditions and in any manner as the Board shall determine, if the District will lease, acquire by purchase agreement, or otherwise reacquire the property as authorized by Applicable Law and to issue certificates evidencing indebtedness incurred under such agreements; and

WHEREAS, the Board finds that it is desirable and in the best interests of the District to avail of the provisions of the Installment Purchase Provisions to authorize an Installment Purchase Agreement (the “*Agreement*”); name as counter-party to the Agreement the Treasurer of the Board (the “*Treasurer*”), as nominee-seller; authorize the Chairman of the Board (the “*Chairman*”) and the Secretary of the Board (the “*Secretary*”) to execute and attest, respectively, the Agreement on behalf of the District and to file same with the Secretary in his or her capacity as keeper of the records and files of the District; and issue certificates evidencing the indebtedness incurred under the Agreement in the amount of \$4,625,000:

NOW THEREFORE Be It and It is Hereby Resolved by the Board of Trustees of Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois, as follows:

Section 1. Definitions. Words and terms used in this Resolution shall have the meanings given them unless the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

A. The following words and terms are as defined in the preambles hereto.

Agreement
Applicable Law
Board
Chairman
Debt Reform Act
District
Installment Purchase Provisions
Public Community College Act
Project
Related Expenses
Secretary
Treasurer

B. The following words and terms are defined as set forth.

“*Certificates*” means the \$4,625,000 General Obligation Debt Certificates (Limited Tax), Series 2021, authorized to be issued by this Resolution.

“*Certificate Fund*” means the fund established and defined in Section 13 of this Resolution.

“*Certificate Register*” means the books of the District kept by the Certificate Registrar to evidence the registration and transfer of the Certificates.

“*Certificate Registrar*” means from Sauk Valley Bank & Trust Company, Sterling, Illinois, in its respective capacities as registrar and paying agent hereunder, or a successor thereto or a successor designated as Certificate Registrar hereunder.

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

“*Project Fund*” means the Project Fund established and defined in Section 13 of this Resolution.

“*Purchaser*” means the purchaser of the Certificates, namely, from Sauk Valley Bank & Trust Company, Sterling, Illinois.

“*Record Date*” means the 15th day preceding any regular interest payment date and the 15th day preceding any interest payment date occasioned by the redemption of Certificates on other than an interest payment date.

“*Resolution*” means this Resolution adopted by the Board on the 22nd day of March, 2021.

C. Definitions also appear in the preambles hereto or in specific sections, as appear below. The headings in this Resolution are for the convenience of the reader and are not a part of this Resolution.

Section 2. Incorporation of Preambles. The Board hereby finds that 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 3. Authorization. It is necessary and advisable for the residents of the District to pay the costs of the Project, including all Related Expenses and to borrow money and, in evidence thereof and for the purpose of financing same, enter into the Agreement and, further, to provide for the issuance and delivery of the Certificates evidencing the indebtedness incurred under the Agreement.

Section 4. Agreement is a General Obligation; Annual Budget. The District hereby represents, warrants, and agrees that the obligation to make the payments due under the Agreement shall be a general obligation of the District payable from any funds of the District lawfully available for such purpose. The District represents and warrants that the total amount due under the Agreement, together with all other indebtedness of the District, is within all statutory and constitutional debt limitations. The District agrees to budget funds of the District annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Agreement.

Section 5. Execution and Filing of the Agreement. From and after the effective date of this Resolution, the Chairman and Secretary be and they are hereby authorized and directed to execute and attest, respectively, the Agreement, in substantially the form set forth in Section 6 of this Resolution, and to do all things necessary and essential to effectuate the provisions of the Agreement, including the execution of any documents and certificates incidental thereto or necessary to carry out the provisions thereof. Further, as nominee-seller, the Treasurer is hereby authorized and directed to execute the Agreement. Upon full execution, the original of the Agreement shall be filed with the Secretary and retained in the District records and shall constitute authority for the issuance of the Certificates hereinafter authorized.

Section 6. Form of Agreement. The Agreement shall be in substantially the form as follows:

INSTALLMENT PURCHASE AGREEMENT for the purchase of real or personal property, or both, in and for Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois.

THIS INSTALLMENT PURCHASE AGREEMENT (this "*Agreement*") dated as of the 12th day of April, 2021, by and between the Treasurer (the "*Treasurer*") of the Board of Trustees (the "*Board*") of the hereinafter-defined District, as Nominee-Seller (the "*Seller*"), and Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois, a Community College District of the State of Illinois (the "*District*"):

WITNESSETH

A. The Board has determined to renovate, repair and equip campus facilities and functions and complete site improvements of the District (the "*Project*"), all as previously approved by the Board and on file with the Secretary of the Board (the "*Secretary*").

B. Pursuant to the provisions of the Public Community College Act of the State of Illinois (the "*Public Community College Act*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and, in particular, the provisions of Section 17(b) of the Debt Reform Act (the "*Installment Purchase Provisions*"), and all other Omnibus Bond Acts of the State of Illinois, in each case, as supplemented and amended (collectively "*Applicable Law*"), the District has the power to purchase real or personal property through agreements that provide that the consideration for the purchase may be paid through installments made at stated intervals for a period of no more than 20 years, to sell, convey and reacquire either real or personal property upon any terms and conditions and in any manner as the Board shall determine, if the District will lease, acquire by purchase agreement, or otherwise reacquire the property as authorized by Applicable Law and to issue certificates evidencing indebtedness incurred under such agreements.

C. On the 22nd day of March, 2021, the Board, pursuant to Applicable Law and the need to provide for the Project, adopted a resolution (the "*Resolution*") authorizing the borrowing of money for the Project, the execution and delivery of this Agreement to finance same, and the issuance of certificates evidencing the indebtedness so incurred.

D. The Resolution is
 (a) incorporated herein by reference; and
 (b) made a part hereof as if set out at this place in full;
and each of the terms as defined in the Resolution is also incorporated by reference for use in this Agreement.

E. The Seller, as nominee as expressly permitted by the Installment Purchase Provisions, has agreed to make, construct and acquire the Project on the terms as hereinafter provided.

NOW THEREFORE in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, it is mutually agreed between the Seller and the District as follows:

1. MAKE, CONSTRUCT AND ACQUIRE PROJECT

The Seller agrees to make, construct, and acquire the Project upon real estate owned or to be owned by or upon which valid easements have been obtained in favor of the District.

2. CONVEYANCE

The District conveys to the Seller any portion of the Project heretofore acquired by the District and to be paid from proceeds of the Certificates (as defined in the Resolution). The Seller agrees to convey each part of the Project to the District and to perform all necessary work and convey all necessary equipment; and the District agrees to purchase the Project from the Seller and pay for the Project the purchase price of not to exceed \$4,625,000; plus the amount of investment earnings which are earned on the amount deposited with the Treasurer from the sale of the Certificates and in no event shall the total aggregate principal purchase price to be paid pursuant to this Agreement exceed the sum of \$4,625,000, plus the amount of investment earnings which are earned on the amount deposited with the Treasurer from the sale of the Certificates.

3. PAYMENTS

The payment of the entire sum of \$4,625,000 of said purchase price shall:

- (a) be payable in installments due on the dates and in the amounts;
 - (b) bear interest at the rates percent per annum which interest shall also be payable on the dates and in the amounts;
 - (c) be payable at the place or places of payment, in the medium of payment, and upon such other terms, including prepayment (redemption);
- all as provided for payment of the Certificates in the Resolution.

4. ASSIGNMENT

Rights to payment of the Seller as provided in this Agreement are assigned as a matter of law, under the Installment Purchase Provisions, to the owners of the Certificates. This Agreement and any right, title, or interest herein, shall not be further assignable. The Certificates, evidencing the indebtedness incurred hereby, are assignable (registrable) as provided in the Resolution.

5. TAX COVENANTS

The covenants relating to the tax-exempt status of the Certificates, as set forth in the Resolution, insofar as may be applicable, apply to the work to be performed and the payments made under this Agreement.

6. TITLE

(a) *Vesting of Title.* Title in and to any part of the Project, upon delivery or as made, during all stages of the making or acquisition thereof, shall and does vest immediately in the District.

(b) *Damage, Destruction, and Condemnation.* If, during the term of this Agreement, (i) all or any part of the Project shall be destroyed, in whole or in part, or damaged by fire or other casualty or event; or (ii) title to, or the temporary or permanent use of, all or any part of the Project shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority; or (iii) a material defect in construction of all or any part of the Project shall become apparent; or (iv) title to or the use of all or any part of the Project shall be lost by reason of a defect in title; then the District shall continue to make payments as promised herein and in the Certificates and to take such action as it shall deem necessary or appropriate to repair and replace the Project.

7. LAWFUL CORPORATE OBLIGATION

The District hereby represents, warrants, and agrees that the obligation to make the payments due hereunder shall be a lawful direct general obligation of the District payable from the

general funds of the District and such other sources of payment as are otherwise lawfully available. The District represents and warrants that the total amount due the Seller hereunder, together with all other indebtedness of the District, is within all statutory and constitutional debt limitations. The District agrees to budget funds of the District annually and in a timely manner so as to provide for the making of all payments when due under the terms of this Agreement.

8. GENERAL COVENANT AND RECITAL

It is hereby certified and recited by the Seller and the District, respectively, that as to each, respectively, for itself, all conditions, acts, and things required by law to exist or to be done precedent to and in the execution of this Agreement did exist, have happened, been done and performed in regular and due form and time as required by law.

9. NO SEPARATE TAX

THE SELLER AND THE DISTRICT RECOGNIZE THAT THERE IS NO STATUTORY AUTHORITY FOR THE LEVY OF A SEPARATE TAX IN ADDITION TO OTHER TAXES OF THE DISTRICT OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY ANY OF THE AMOUNTS DUE HEREUNDER.

10. DEFAULT

In the event of a default in payment hereunder by the District, the Seller or any Certificate holder may pursue any available remedy by suit at law or equity to enforce the payment of all amounts due or to become due under this Agreement, including, without limitation, an action for specific performance.

IN WITNESS WHEREOF the Seller has caused this Installment Purchase Agreement to be executed and attested, and his or her signature to be attested by the Secretary, and the District has caused this Installment Purchase Agreement to be executed by the Chairman of the Board, and also attested by the Secretary, all as of the day and year first above written.

SELLER: Signature: _____

Name: Kent Sorenson
as Nominee-Seller and the Treasurer of the
Board of Trustees

ATTEST:

Secretary, Board of Trustees

COMMUNITY COLLEGE DISTRICT NO. 506,
COUNTIES OF WHITESIDE, LEE, CARROLL,
OGLE, BUREAU AND HENRY AND STATE OF
ILLINOIS

Chairman, Board of Trustees

ATTEST:

Secretary, Board of Trustees

STATE OF ILLINOIS)
) SS
COUNTY OF WHITESIDE)

CERTIFICATE OF INSTALLMENT PURCHASE AGREEMENT FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Trustees (the “*Board*”) of Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois (the “*District*”), and as such officer I do hereby certify that on the 12th day of April, 2021, there was filed in my office a properly certified copy of that certain document, executed by the Chairman of the Board, attested by me in my capacity as Secretary of the Board, and further executed, as Nominee-Seller, by the Treasurer of the Board, also attested by me, dated the 12th day of April, 2021, and entitled “INSTALLMENT PURCHASE AGREEMENT for the purchase of real or personal property, or both, in and for Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois”; and supporting the issuance of certain General Obligation Debt Certificates (Limited Tax), Series 2021, of the District; that attached hereto is a true and complete copy of said Agreement as so filed; and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature, this 12th day of April, 2021.

Secretary, Board of Trustees

Section 7. Certificate Details. For the purpose of providing for the Project and Related Expenses, there shall be issued and sold the Certificates in the principal amount of \$4,625,000, which shall each be designated "General Obligation Debt Certificates (Limited Tax), Series 2021." The Certificates shall be dated April 12, 2021 (the "*Dated Date*"), and shall also bear the date of authentication thereof. The Certificates shall be in fully registered form, shall be in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof, and shall be numbered 1 and upward. The Certificates shall become due and payable (subject to prior redemption as hereinafter set forth) on December 1, 2027 (subject to prior redemption as hereinafter set forth), and shall bear interest at the rate of 1.70% per annum; *provided, however*, that the Certificates shall bear interest at the rate of 0.37% per annum from the Dated Date through and including August 10, 2021.

The Certificates 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 Certificates is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on December 1, 2021. Interest on each Certificate shall be paid by check or draft of Sauk Valley Bank & Trust Company, Sterling, Illinois (the "*Certificate Registrar*"), payable upon presentation in lawful money of the United States of America, to the person in whose name such Certificate is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of the Certificates shall be payable in lawful money of the United States of America at the principal office of the Certificate Registrar.

The Certificates shall be signed by the manual or facsimile signature of the Chairman and Secretary and registered, numbered and countersigned by the manual or facsimile signature of the Treasurer, as they shall determine. In case any such officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Certificates shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Certificate Registrar as authenticating agent of the District and showing the date of authentication. No Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until such certificate of authentication shall have been duly executed by the Certificate Registrar by manual signature, and such certificate of authentication upon any such Certificate shall be conclusive evidence that such Certificate has been authenticated and delivered under this Resolution. The certificate of authentication on any Certificate shall be deemed to have been executed by the Certificate Registrar if signed by an authorized officer of the Certificate Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Certificates issued hereunder.

Section 8. Registration of Certificates; Persons Treated as Owners. The District shall cause books (the "*Certificate Register*") for the registration and for the transfer of the Certificates as provided in this Resolution to be kept at the principal office of the Certificate Registrar, which is hereby constituted and appointed the registrar of the District. The District is authorized to prepare, and the Certificate Registrar or such other agent as the District may designate shall keep custody of, multiple Certificate blanks executed by the District for use in the transfer and exchange of Certificates.

Upon surrender for transfer of any Certificate at the principal office of the Certificate Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer in

form satisfactory to the Certificate Registrar and duly executed by the registered owner or his or her attorney duly authorized in writing, the District shall execute and the Certificate Registrar shall authenticate, date, and deliver in the name of the transferee or transferees, a new fully registered Certificate or Certificates of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Certificate or Certificates may be exchanged at said office of the Certificate Registrar for a like aggregate principal amount of Certificate or Certificates of other authorized denominations. The execution by the District of any fully registered Certificate shall constitute full and due authorization of such Certificate; and the Certificate Registrar shall thereby be authorized to authenticate, date, and deliver such Certificate; *provided, however*, the principal amount of outstanding Certificates authenticated by the Certificate Registrar shall not exceed the authorized principal amount of Certificates less previous retirements.

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

The person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Certificate shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Certificates, but the District or the Certificate Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates except in the case of the issuance of a Certificate or Certificates for the unredeemed portion of a Certificate surrendered for redemption.

Section 9. Redemption. (a) *Optional Redemption.* The Certificates shall be subject to redemption prior to maturity at the option of the District as a whole, or in part in integral multiples of \$5,000 as determined by the District and selected by the Certificate Registrar, on July 11, 2021, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

(b) *Mandatory Redemption.* The Certificates shall be subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Certificate Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
2021	\$635,000
2022	635,000
2023	650,000
2024	660,000
2025	670,000
2026	680,000
2027	695,000 (stated maturity)

The principal amounts of Certificates to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Certificates 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 Certificate Registrar may, and if directed by the Board shall, purchase Certificates required to be retired on such mandatory redemption date. Any such Certificates 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 Certificates shall be redeemed only in the principal amount of \$5,000 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 Certificate Registrar) notify the Certificate Registrar of such redemption date and of the principal amount of Certificates to be redeemed. For purposes of any redemption of less than all of the outstanding Certificates, the particular Certificates or portions of Certificates to be redeemed shall be selected by lot by the Certificate Registrar by such method of lottery as the Certificate Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Certificates or portions thereof so that any \$5,000 Certificate or \$5,000 portion of a Certificate shall be as likely to be called for redemption as any other such \$5,000 Certificate or \$5,000 portion. The Certificate Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Certificates to be redeemed or the time of the giving of official notice of redemption.

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

Section 10. Redemption Procedure. Unless waived by any holder of Certificates to be redeemed, notice of the call for any such redemption shall be given by the Certificate Registrar on behalf of the District by mailing the redemption notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate Register or at such other address as is furnished in writing by such registered owner to the Certificate Registrar.

All notices of redemption shall state:

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

Unless moneys sufficient to pay the redemption price of the Certificates to be redeemed at the option of the District shall have been received by the Certificate Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption shall be conditional upon the receipt of such moneys by the Certificate Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Certificates, and the Certificate Registrar shall

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

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, and notwithstanding the failure to receive such notice, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Certificates or portions of Certificates shall cease to bear interest. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates shall be paid by the Certificate Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Certificate, there shall be prepared for the registered holder a new Certificate or Certificates in the amount of the unpaid principal.

If any Certificate or portion of Certificate called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Certificate or portion of Certificate so called for redemption. All Certificates which have been redeemed shall be cancelled and destroyed by the Certificate Registrar and shall not be reissued.

Section 11. Form of Certificate. The Certificates shall be in substantially the following form; *provided, however,* that if the text of the Certificate is to be printed in its entirety on the front side of the Certificate, then paragraph [2] and the legend "See Reverse Side for Additional Provisions" shall be omitted and paragraphs [6] through [12] shall be inserted immediately after paragraph [1]:

[Form of Certificate - Front Side]

REGISTERED
NO. 1

REGISTERED
\$4,625,000

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTIES OF WHITESIDE, LEE, CARROLL, OGLE, BUREAU AND HENRY AND
STATE OF ILLINOIS
COMMUNITY COLLEGE DISTRICT NO. 506
GENERAL OBLIGATION DEBT CERTIFICATE (LIMITED TAX), SERIES 2021**

See Reverse Side for
Additional Provisions

Maturity

Date: December 1, 2027

Dated

Date: April 12, 2021

Registered Owner: SAUK VALLEY BANK & TRUST COMPANY

Principal Amount: Four Million Six Hundred Twenty-Five Thousand Dollars

[1] KNOW ALL PERSONS BY THESE PRESENTS, that Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois (the “*District*”), hereby acknowledges itself to owe and for value received promises to pay from the source and as hereinafter provided to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Certificate or from the most recent interest payment date to which interest has been paid at the interest rate per annum set forth below on June 1 and December 1 of each year, commencing December 1, 2021, until said Principal Amount is paid. This Certificate shall bear interest at the rate of 1.70% per annum; *provided, however*, this Certificate shall bear interest at the rate of 0.37% per annum from the Dated Date through and including August 10, 2021. Principal of this Certificate is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal office of Sauk Valley Bank & Trust Company, Sterling, Illinois, as certificate registrar and paying agent (the “*Certificate Registrar*”). Payment of the interest shall be made to the Registered Owner hereof as shown on the registration books of the District maintained by the Certificate Registrar at the close of business on the 15th day preceding any regular interest payment date and the 15th day preceding any interest payment date occasioned by the redemption of this Certificate on other than a regular interest payment date and shall be paid by check or draft of the Certificate Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Certificate Registrar.

[2] Reference is hereby made to the further provisions of this Certificate set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Certificate did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the District, including the issue of certificates of which this is one, does not exceed

any limitation imposed by law; that the obligation to make payments due hereon is a general obligation of the District payable from any funds of the District legally available for such purpose, and that the District shall budget funds annually and in a timely manner so as to provide for the making of all payments hereon when due. THE OWNER OF THIS CERTIFICATE ACKNOWLEDGES THAT THERE IS NO STATUTORY AUTHORITY FOR THE LEVY OF A SEPARATE TAX IN ADDITION TO OTHER TAXES OF THE DISTRICT OR THE LEVY OF A SPECIAL TAX UNLIMITED AS TO RATE OR AMOUNT TO PAY ANY OF THE AMOUNTS DUE HEREUNDER.

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

[5] IN WITNESS WHEREOF Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois, by its Board of Trustees, has caused this Certificate to be signed by the manual or duly authorized facsimile signatures of the Chairman and Secretary of said Board of Trustees and to be registered, numbered and countersigned by the manual or duly authorized facsimile signature of the Treasurer of said Board of Trustees, all as of the Dated Date identified above.

Chairman, Board of Trustees

Secretary, Board of Trustees

Registered, Numbered and Countersigned:

Treasurer, Board of Trustees

Date of Authentication: April 12, 2021

CERTIFICATE
OF
AUTHENTICATION

This Certificate is one of the Certificates described in the within-mentioned Resolution and is one of the General Obligation Debt Certificates (Limited Tax), Series 2021, of Community College District No. 506, Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry and State of Illinois.
SAUK VALLEY BANK & TRUST COMPANY,
as Certificate Registrar

Certificate Registrar and Paying Agent:
Sauk Valley Bank & Trust Company,
Sterling, Illinois

By _____

Authorized Signatory

[Form of Certificate - Reverse Side]

COMMUNITY COLLEGE DISTRICT NO. 506
COUNTIES OF WHITESIDE, LEE, CARROLL, OGLE, BUREAU AND HENRY AND
STATE OF ILLINOIS
GENERAL OBLIGATION DEBT CERTIFICATE (LIMITED TAX), SERIES 2021

[6] This Certificate is one of a series of certificates issued by the District to renovate, repair and equip campus facilities and functions and complete site improvements of the District (the “*Project*”), in full compliance with the provisions of the Public Community College Act of the State of Illinois, and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and is authorized by the Board of Trustees of the District by a resolution duly and properly adopted for that purpose, in all respects as provided by law. The Certificates issued by the District in connection with the Project have been issued in evidence of the indebtedness incurred pursuant to a certain Installment Purchase Agreement (the “*Agreement*”), dated as of the date of issuance of the Certificates, entered into by and between the District and the Treasurer of the Board, as Seller-Nominee, to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the holder by the acceptance of this certificate assents.

[7] Certificates of the issue of which this Certificate is one are subject to redemption prior to maturity at the option of the District as a whole, or in part in integral multiples of \$5,000 as determined by the District and selected by the Certificate Registrar, on July 11, 2021, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

[8] The Certificates are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Certificate Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
2021	\$635,000
2022	635,000
2023	650,000
2024	660,000
2025	670,000
2026	680,000
2027	695,000 (stated maturity)

[9] Notice of any such redemption shall be sent by first class mail not less than twenty (20) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Certificate to be redeemed at the address shown on the registration books of the District maintained by the Certificate Registrar or at such other address as is furnished in writing by such registered owner to the Certificate Registrar. When so called for redemption, this Certificate will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

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

Upon such transfer a new Certificate or Certificates of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

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

[12] The District and the Certificate Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the District nor the Certificate Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

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

(Name and Address of Assignee)

the within Certificate and does hereby irrevocably constitute and appoint _____

attorney to transfer the said Certificate 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 Certificate in every particular, without alteration or enlargement or any change whatever.

Section 12. Sale of Certificates. The Certificates hereby authorized shall be executed as in this Resolution provided as soon after the passage hereof as may be, and thereupon be deposited with the Treasurer, and be by the Treasurer be delivered to the Purchaser, upon receipt of the purchase price therefor, the same being par, plus accrued interest, if any, to date of delivery; the contract for the sale of the Certificates heretofore entered into (the "*Purchase Contract*") is in all respects ratified, approved and confirmed, it being hereby found and determined that the Certificates have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceed the maximum rate otherwise authorized by Illinois law and that the Purchase Contract is in the best interests of the District and that no person holding any office of the District, either by election or appointment, is in any manner

interested, directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation, in the Purchase Contract; to the extent the surety bond executed by the Treasurer as required by Section 3-19 of the Public Community College Act is required to be increased as a result of the issuance of the Certificates, such increase is hereby approved and said surety bond shall be filed with the Illinois Community College Board and shall also be filed with the County Clerks of the Counties of Whiteside, Lee, Carroll, Ogle, Bureau and Henry, Illinois; and the Certificates before being issued shall be registered, numbered and countersigned by the Treasurer, 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 Certificates issued, including the number, date, to whom issued, amount, rate of interest and when due.

The use by the District of any Term Sheet (the "*Term Sheet*"), in substantially the form now before the Board, is hereby ratified, approved and authorized; the execution and delivery of the Term Sheet 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 Term Sheet and the Certificates.

Section 13. Use of Certificate Proceeds. Accrued interest received on the delivery of the Certificates, if any, is hereby appropriated for the purpose of paying first interest due on the Certificates and is hereby ordered deposited into the "General Obligation Debt Certificates (Limited Tax), Series 2021 Fund" (the "*Certificate Fund*"), which shall be the fund for the payment of the principal of and interest on the Certificates. Funds lawfully available for the purpose of paying the principal of and interest on the Certificates shall be deposited into the Certificate Fund and used solely and only for such purpose.

The principal proceeds of the Certificates and any premium received on the delivery of the Certificates are hereby appropriated to pay the costs of issuance of the Certificates and for the purpose of paying the cost of the Project, and that portion thereof not needed to pay such costs of issuance is hereby ordered deposited into the "Project Fund" (the "*Project Fund*"), hereby created. It is hereby found and determined and hereby declared and set forth that the Board (i) has not entered into an agreement of any kind with any entity, party or person (including, but not limited to, the Purchaser) to not expend the proceeds of the Certificates deposited into the Project Fund for any period of time and (ii) is not required by any contract, decree, instrument, order, regulation or ruling, to not expend the proceeds of the Certificates deposited into the Project Fund for any period of time. Moneys in the Project Fund shall be used to pay costs of the Project in accordance with the following procedures:

1. Contracts ("*Work Contracts*") have been or shall be awarded, from time to time, by the Board for the work on the Project; and the Board represent and covenant that each Work Contract has been or will be let in strict accordance with the applicable laws of the State of Illinois, and the rules and procedures of the District for same.

2. Pursuant to this Resolution or subsequent resolution or resolutions to be duly adopted, the Board shall identify all or a designated portion of each Work Contract to the Agreement. The Work Contracts attached hereto as *Exhibit 1* are hereby identified to the Agreement. This Resolution, any such further resolution and said Work Contracts shall be filed of record with the Secretary and the Treasurer. The adoption and filing of any such resolution or resolutions and the Work Contracts with such officers shall constitute authority for the Treasurer to make disbursements from the Project Fund to pay amounts due under such Work Contracts from time to time, upon such further resolutions, orders,

vouchers, warrants, or other proceedings as are required under the applicable laws of the State of Illinois, and the rules and procedures of the District for same. No action need be taken by or with respect to the contractors under the Work Contracts as, pursuant to the Installment Purchase Provisions, the Treasurer acts as Nominee-Seller of the Project for all purposes, enabling the issuance of the Certificates.

Alternatively to the creation of the funds described above, the appropriate officers may allocate the funds to be deposited into the Certificate Fund or proceeds of the Certificates to one or more related funds of the District already in existence and in accordance with good accounting practice; *provided, however*, that this shall not relieve such officers of the duty to account and invest such funds and the proceeds of the Certificates, as herein provided, as if the funds described above had in fact been created. At the time of the issuance of the Certificates, the costs of issuance of the Certificates may be paid by the Purchaser on behalf of the District from the proceeds of the Certificates.

Section 14. Non-Arbitrage and Tax-Exemption. 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 Certificates) if taking, permitting or omitting to take such action would cause any of the Certificates to be an arbitrage Certificate or a private activity Certificate within the meaning of the Code, or would otherwise cause the interest on the Certificates 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 Certificates, 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 District also agrees and covenants with the purchasers and holders of the Certificates 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 Certificates and affects the tax-exempt status of the Certificates.

The Board hereby authorizes the officials of the District responsible for issuing the Certificates, the same being the Chairman, Secretary and Treasurer, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Certificates to be arbitrage Certificates and to assure that the interest on the Certificates 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 Certificates 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 Certificates; (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 15. Designation of Issue. The District hereby designates each of the Certificates as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code.

Section 16. List of Certificateholders. The Certificate Registrar shall maintain a list of the names and addresses of the holders of all Certificates and upon any transfer shall add the name

and address of the new Certificate holder and eliminate the name and address of the transferor Certificate holder.

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

- (a) to act as certificate registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Certificateholders as set forth herein and to furnish such list to the District upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Certificates as provided herein;
- (d) to cancel and/or destroy Certificates 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 Certificates cancelled and/or destroyed; and
- (f) to furnish the District at least annually an audit confirmation of Certificates paid, Certificates outstanding and payments made with respect to interest on the Certificates.

Section 18. Record-Keeping Policy and Post-Issuance Compliance Matters. On August 25, 2014, the Board adopted a record-keeping policy (the "*Policy*"), in order to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the debt obligations of the District, the interest on which is excludable from "gross income" for federal income tax purposes or which enable the District or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit Certificates and other specified tax credit bonds. The Board and the District hereby reaffirm the Policy as amended.

Section 19. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

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Section 20. 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 March 22, 2021.

Chairman, Board of Trustees

Secretary, Board of Trustees

EXHIBIT 1

WORK CONTRACTS