

\$3,700,000
WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
CLINTON AND ST. CLAIR COUNTIES, ILLINOIS
General Obligation School Bonds, Series 1997

May 27, 1997

PURCHASE CONTRACT

Wesclin Community School District No. 3
10003 State Route 160
Trenton, Illinois 62293

Ladies and Gentlemen:

The undersigned, First St. Louis Securities, Inc. (the "Purchaser"), hereby offers to purchase from the Wesclin Community Unit School District No. 3, Clinton and St. Clair Counties, Illinois (the "District"), the \$3,700,000 aggregate principal amount of General Obligation School Bonds, Series 1997 (the "Bonds") to be issued by the District under and pursuant to a Resolution adopted by the Board of Education of the District on May 27, 1997 (the "Bond Resolution").

The Bonds are to be issued by the District pursuant to and in accordance with the provisions of the laws of the State of Illinois. The Bonds are being issued to acquire, construct and equip the junior and senior high school buildings in compliance with fire protection and life safety orders, to acquire, construct and equip additions to the elementary, junior and senior high school buildings and to renovate school facilities in Trenton and New Baden, Illinois and to pay costs of issuance.

The Bonds shall mature on the dates in the years and in the amounts and shall bear interest at the rates per annum set forth in Schedule I hereto.

This offer is made subject to your acceptance of this Purchase Contract on or before 10:00 p.m., Central Time, on May 27, 1997. Upon your acceptance of the offer, the following agreement will be binding upon the District and the Purchaser.

The words and terms used herein shall have the respective meanings ascribed to them in the Bond Resolution unless some other meaning is plainly indicated.

The words "Transaction Documents" when used herein shall mean, individually and collectively, the following: the Bonds; the Bond Resolution; this Purchase Contract; the Official Statement; and any and all other documents or instruments that evidence or are a part of the transactions referred to herein or in the Official Statement or contemplated hereby or by the Official Statement; provided, however, that when the words "Transaction Documents" are used in the context of the authorization, execution, delivery, approval or performance of the Transaction Documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party.

1. Purchase of Bonds. Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants hereinafter set forth, the Purchaser hereby agrees to purchase from the District, and the District hereby agrees to sell to the Purchaser, all (but not less than all) of the Bonds at a purchase price of \$3,700,000.00 (which is equal to the aggregate principal amount of the Bonds) plus accrued interest (if any).

2. Public Offering. The Purchaser intend to make an initial bona fide public offering of all of the Bonds at not in excess of the prices shown on Schedule I, provided, however, that the Purchaser may subsequently change such offering price or prices. The Purchaser may offer and sell the bonds to certain dealers (including dealers depositing bonds into investment trusts) at prices lower than the principal amount thereof.

3. Official Statement. The District hereby agrees to deliver to the Purchaser within seven business days after the date hereof, the Official Statement, dated the date hereof, relating to the Bonds (which, together with the cover page, and all exhibits, appendices, maps, pictures, diagrams, reports and statements included therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the bonds are herein called the "Official Statement") executed on behalf of the District by a duly authorized officer in such quantity that the Purchaser may request to enable the Purchaser to provide the Official Statement to potential customers and to comply with any rules of the Municipal Securities Rulemaking Board and the Securities and Exchange Commission. The District hereby deems the information contained in the Official Statement regarding the District to be "final" as of its date for the purposes of paragraph b (1) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934.

The District consents to the use by the Purchaser (subject to the right of such party to withdraw such consent for cause by written notice to the Purchaser) prior to the date upon which the Official Statement is executed and available for distribution, drafts of the Official Statement, in connection with the proposed offering of the Bonds.

4. District's Representations and Warranties. The District hereby represents and warrants to the Purchaser that:

- (a) The District is and will be at Closing a municipal corporation and political subdivision of the State of Illinois created and existing under the laws of the State of Illinois with the power and authority set forth in the Act;
- (b) The District is authorized by the laws of the State of Illinois, (i) to issue, sell and deliver the Bonds for the purposes set forth in the opening paragraphs hereof and in the Bond Resolution and (ii) to enter into and perform its obligations under this Purchase Contract and the Bond Resolution;
- (c) The District has full power and authority to consummate the transactions contemplated by this Purchase Contract, the Bonds, the Bond Resolution and the Official Statements and has authorized and approved the execution and delivery of this Purchase Contract;
- (d) The information contained in the Official Statement with respect to the District is and, as of the date of Closing, will be correct in all material respects and does not, and at the Closing, will not omit to state any material fact required to be stated therein or necessary to make any statement made therein, in light of the circumstances under which it was made, not misleading;
- (e) Prior to the Closing, the District shall have duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement, (ii) the approval, execution, delivery and receipt by the District of the Bond Resolution, the Bonds, this Purchase Contract and any and all such other agreements and documents as may be required to be executed, delivered and received by the District in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement; and (iii) the approval of the use of the Official Statement;
- (f) The Bonds when executed, issued, authenticated delivered and paid for as herein and in the Bond Resolution provided and the Transaction Documents to which the District is a party when executed will have been duly authorized and issued and will constitute valid and binding obligations of the District enforceable in accordance with their terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar law or laws affecting the enforcement of creditors' rights generally or against municipal corporations such as the District from time to time in effect and further subject to the availability of equitable remedies);
- (g) Except as may be set forth in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body, pending or, to the knowledge of the District, threatened against or materially adversely affect (i) the transactions contemplated hereby or by the Official Statement, (ii) the validity or enforceability in accordance with their respective terms of the Bonds, the Bond Resolution, this Purchase Contract or any agreement or instrument to

which the District is a party, used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement, (iii) the federal tax exempt status of the interest on the Bonds, or (iv) the existence or powers of the District;

- (h) The execution and delivery by the District of this Purchase Contract, the Bonds, the Bond Resolution and the other documents contemplated hereby and by the Official Statement to be executed and delivered by the District, and compliance with the provisions thereof, and the approval of the use of the Official Statement, do not conflict with or constitute on the part of the District a breach of or a default under or under any existing law, court or administrative regulation, decree, order, agreement, indenture, mortgage or lease by which the District is or may be bound;
- (i) The District agrees to reasonably cooperate with the Purchaser in any endeavor to qualify the Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Purchaser may request; provided, however, that the District shall not be required with respect to the offer of sale of the Bonds, or otherwise, to file written consent to suit or to file written consent to service of process in any jurisdiction. The District consents to the use of drafts of the Official Statements prior to the availability of the Official Statement, by the Purchaser in obtaining such qualifications, subject to the right of the District to withdraw such consent for cause by written notice to the Purchaser. The Purchaser shall pay all expenses and costs (including registration and filing fees and legal fees of counsel to the Purchaser) incurred in connection therewith;
- (j) Any certificate signed by an authorized officer of the District and delivered to the Purchaser shall be deemed a representation and warranty by the District to the Purchaser as to the statements made therein;
- (k) The audited financial statements of the District included in the Official Statement fairly present the financial condition of the District as of the dates thereof all in accordance with generally accepted accounting principles consistently applied except as stated in the notes thereto, and there has been no material adverse change in the condition, financial or otherwise, of the District from that set forth in said financial statements as of June 30, 1996, except as disclosed in the Official Statement;
- (l) The District, after taking into account the issuance of the Bonds, will not have more than \$10 million in bonds outstanding; and
- (m) The District is not currently, nor has it been at any time subsequent to December 31, 1975, in default in the payment of the principal of or interest on any obligation issued by it.

5. Closing. Prior to or at 11:00 AM, Central Time, on June 12, 1997 or at such other time or such other date as shall have been mutually agreed upon by the District and the Purchaser (the "Closing time"), the District will deliver, or cause to be delivered, to the Purchaser, the Bonds, in definitive form duly executed and authenticated by the Bond Registrar together with the other documents hereinafter mentioned; and the Purchaser will accept such delivery and pay the purchase price of the Bonds by delivering to the District a bank cashier's check payable in funds immediately available in Trenton, Illinois payable to the order of the District, or by wire transfer of funds immediately available in Trenton, Illinois in an amount equal to the purchase price.

Payment and delivery of the Bonds as aforesaid shall be made in New York, New York as more specifically described on Schedule I, attached hereto and made a part hereof. Such payment and delivery is herein called the "Closing." The Bonds will be delivered in denominations as set forth in the Bond Resolution as definitive Bonds in fully registered form, and in such amounts as the Purchaser may request not less than five business days prior to the Closing, and will be made available for checking and packaging by the Purchaser as such place as the Purchaser and the Bond Registrar shall agree not less than 24 hours prior to the Closing.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for any Bonds.

6. Events Permitting Purchaser To Terminate. The Purchaser shall have the right to cancel their obligations to purchase the Bonds if between the date hereof and the date of the Closing, (i)(A) legislation shall be enacted or be actively considered for enactment by the Congress, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or (B) a decision by a Federal court of the United States or the United States Tax Court shall be rendered, or a ruling or regulation by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made with respect to Federal taxation upon interest on the Bonds, or (C) other action or events shall have occurred or transpired, any of which has the purpose or effect, directly or indirectly, of adversely affecting the Federal income tax consequences of any of the transactions contemplated in connection herewith, or materially adversely affects the market for the Bonds or the ability of the Purchaser to enforce contracts for the sale of the Bonds at the contemplated offering price, or (ii) there shall exist any fact or any event shall have occurred which either (A) makes untrue or incorrect any statement of a material fact or material information contained in the Official Statement as then amended or supplemented but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect or (iii) there shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States being such as would materially adversely affect the market for the Bonds or the ability of the Purchaser to enforce contracts for the sale of the Bonds at the contemplated offering prices, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange or a general banking moratorium shall have been declared by Federal, Illinois or New York authorities, the effect of which on the financial markets of the United States is such as would materially adversely affect the market for the Bonds or the ability of the Purchaser to enforce contracts for the sale of the Bonds at the contemplated offering prices, or (v) there shall have occurred since June 30, 1997, any material adverse change in the affairs of the District from that reflected in the financial statements or other information concerning the District contained in the Official Statement not otherwise disclosed in the Official Statement, or (vi) legislation shall be enacted, or actively considered for enactment by the Congress, with an effective date on or prior to the date of Closing, or a decision by a court of the United States shall be rendered, or a ruling or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, the effect of which is that (A) the Bonds are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended, and as then in effect, or the Securities Exchange Act of 1934, as amended, and as then in effect, or (B) the Bond Resolution is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended, and as then in effect, or (vii) a stop order, ruling or regulation by the Securities and Exchange Commission shall be issued or made, the effect of which is that the issuance, offering or sale of the Bonds, as contemplated herein or in the Official Statement, is in violation of any provision of the Securities Act of 1933, as amended, and as then in effect, the Securities Exchange Act of 1934, as amended, and as then in effect, or the Trust Indenture Act of 1939, as amended, and as then in effect, or (viii) the Official Statement is not executed, approved and delivered in accordance with Section 3 above.

7. Conditions to Closing. The obligations hereunder of each party hereto shall be subject to (i) to the performance by the other parties of their respective obligations to be performed hereunder at and prior to the Closing Time, (ii) to the accuracy in all material respects of the representations and warranties herein of the other parties as of the date hereof and as of the Closing Time, and (iii) to the following conditions, including the delivery by the appropriate party or parties hereto or other entities of such documents as are enumerated herein:

- (a) At the Closing Time, (i) the Transaction Documents shall have been authorized, executed and delivered, and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Purchaser and the District, the Closing in all events, however, to be deemed such approval, (ii) the proceeds of the sale of the Bonds shall have been deposited and applied as described in the Bond Resolution and the Official Statement, and (iii) the District shall have duly adopted and there shall be in full force and effect such resolutions as, in the opinion of Evans, Froehlich and

Beth, Champaign, Illinois (herein called "Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby.

(b) At or prior to the Closing Time, the Purchaser and the District shall have received counterparts, copies or certified copies (as appropriate) of the following documents in such number as shall be reasonably required:

- (1) The approving opinion of Bond Counsel, dated the date of Closing, addressed to the District.
- (2) A certificate of the District, dated the date of Closing signed by an official of the District in substantially the form acceptable to Bond Counsel.
- (3) The Official Statement authorized and approved on behalf of the District by duly authorized official thereof.
- (4) The Bond Resolution, duly adopted by the District.
- (5) Other certificates listed on a closing agenda to be approved by counsel to the District, Bond Counsel, and the Purchaser, including any certificates or representations of the District required in order for Bond Counsel to deliver the opinion referred to in Section 7(c)(i) of this Purchase Contract.
- (6) A completed form 8038-G (Information Return for Tax-Exempt Governmental Obligations).
- (7) A receipt of the District for the purchase price of the Bonds.
- (8) Evidence satisfactory to the Underwriter that the Municipal Bond Insurance Policy with respect to the Bonds issued by Financial Security Assurance Inc., is in full force and effect.
- (9) Evidence satisfactory to the Purchaser and Bond Counsel that the Bonds have been rated AAA by Standard & Poors Corporation.
- (10) Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel, the Purchaser, or counsel to the District may reasonably request to evidence compliance with all legal requirements, the truth and accuracy, as of the Closing, of the representations herein and the due performance or satisfaction or all agreements then to be performed and all conditions then to be satisfied.

Unless performance is waived by the party or parties for whose benefit a condition or obligation is intended, if any person shall be unable to satisfy the above conditions to the obligations of any party to this Purchase Contract, or if the obligations hereunder of any party shall be terminated for any reason permitted by this Purchase Contract and unless otherwise waived, this Purchase Contract shall terminate and neither the Purchaser nor the District shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 10 hereof, shall continue in full force and effect.

8. Conditions to District's Obligations. The obligations of the District hereunder are subject to the performance by the Purchaser of their obligations hereunder.

9. Survival of Representations, Warranties, and Agreements. All representations, warranties and agreements of the District and the Purchaser, respectively, shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of any other party and shall survive the Closing. The obligations of the District and the Purchaser under Section 10 hereof shall survive any termination of this Purchase Contract.

10. Expenses. If the Bonds are sold to the Purchaser by the District, the District shall pay from funds advanced to it by the Purchaser from the premium received in reoffering the Bonds the following expenses incident to the performance of their obligations hereunder: (i) the cost of the preparation, printing and distribution of the Transaction Documents (for distribution on or subsequent to the date of execution of this Purchase Contract); (ii) the cost of preparation and printing of the definitive Bonds; and (iii) the fees and expenses of Bond Counsel and any other experts or consultants retained by the District; (iv) premium for the Municipal Bond Insurance Policy on the Bonds issued by

Financial Security Assurance Inc.; (v) charges of Standard and Poor's with respect to providing a rating of the Bonds; and (vi) initial fees of the Bond Registrar/Paying Agent.

If the Bonds are sold to the Purchaser by the District, the District shall pay the underwriter's discount of \$33,316 out of the premium received by the Purchaser in reoffering the bonds.

The Purchaser shall pay: (i) the cost of printing copies of the Official Statement; (ii) all advertising expenses in connection with the public offering of the Bonds; (iii) all other expenses incurred by them or any of them in connection with their public offering and distribution of the Bonds, including, but not limited to, the costs of Blue Sky registration; (iv) the reasonable fees and disbursements of counsel to the Purchaser, if any.

11. Amendments to Official Statement. If, after the date of this Purchase Contract and until the earlier of (i) ninety (90) days after the "end of the underwriting period" (as defined in Rule 15c2-12) or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than twenty-five (25) days following the end of the underwriting period, an event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of Bond Counsel or the Purchaser, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances then existing, the District will forthwith prepare and furnish to the Purchaser a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Purchaser) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements not misleading. The expenses of preparing such amendment or supplement shall be borne by the District. Thereafter, all references to and representations regarding the Official Statement contained herein shall refer to or regard the Official Statement as so amended or supplemented. For the purpose of this Section the District will furnish to the Purchaser such information with respect to the District as the Purchaser may from time to time reasonably request.

12. Third Party Beneficiaries. The District agrees that the Purchaser are and shall be third party beneficiaries of any and all representations and warranties made by the District in the Transaction Documents, to the same effect as if the District had made such representations and warranties to the Purchaser in this Purchase Contract.

13. Notices. Any notice or other communication to be given to the District under this Purchase Contract may be given by delivering the same in writing at its address set forth above, and any notice or other communications to be given to the Purchaser under this Purchase Contract may be given by delivering the same in writing to the Purchaser at the following addresses:

First St. Louis Securities, Inc.
8860 Ladue Road, Suite 100
St. Louis, MO 63124

14. Successors. This Purchase Contract is made for the benefit of the District and the Purchaser (including the successors or assigns of the Purchaser) and no other person including any purchaser of the Bonds shall acquire or have any rights hereunder or by virtue hereof.

15. Governing Law. This Purchase contract shall be governed by and construed in accordance with the laws of the State of Illinois.

16. Effectiveness. This Purchase Contract shall become effective upon your acceptance hereof.

17. Counterparts. This Purchase Contract may be executed in any number of counterparts, each of which so executed and delivered shall constitute an original and all together shall constitute but one and the same instrument.

18. Captions. The captions or headings in this Purchase Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Purchase Contract.

Yours Truly,

FIRST ST. LOUIS SECURITIES, INC.

By 

Thomas W. McNeely
Senior Vice President

Accepted and agreed to as of
the date first above written:

WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
CLINTON AND ST. CLAIR COUNTIES, ILLINOIS

By 

Theresa Trame, President

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

SCHEDULE I TO PURCHASE CONTRACT

Pursuant to Section 5 of the Purchase Contract, payment of the Bonds shall be made to the District by bank cashier's check in immediately available funds in New York, New York, or wire transfer of immediately funds in Trenton, Illinois, or such other mutually agreeable arrangement. The Bonds shall be available for delivery at The Depository Trust Company in New York, New York.

<u>Maturity</u> <u>December 1</u>	<u>Principal</u> <u>Amount</u>	<u>Coupon</u>	<u>Public Offering Price</u> <u>(as a % of Principal</u> <u>Amount)</u>
1999	\$200,000	7.00%	106.380
2000	215,000	6.90	107.627
2001	230,000	6.90	108.774
2002	240,000	4.85	100.000
2003	255,000	4.90	100.000
2004	265,000	4.95	100.000
2005	280,000	5.00	100.000
2006	295,000	5.05	100.000
2007	310,000	5.10	100.000
2008	325,000	5.20	100.000
2009	345,000	5.30	100.000
2010	360,000	5.35	100.000
2011	380,000	5.40	100.000
Total	<u>\$3,700,000</u>		

**BANK QUALIFIED
BOOK ENTRY ONLY**

**RATING: Standard & Poor's AAA
Financial Security Assurance, Inc.**

Subject to compliance by the District with certain covenants, in the opinion of Evans, Froehlich and Beth, Bond Counsel, under present law, interest on the Bonds will not be includible in gross income of the owners thereof for federal income tax purposes, but will be taken into account in computing the corporate alternative minimum tax as more fully discussed under the heading "Tax Exemption." The District has designated the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986.

\$3,700,000

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
Clinton and St. Clair Counties, Illinois
General Obligation School Bonds, Series 1997**

Dated: June 1, 1997

Due: December 1 as shown below

The General Obligation School Bonds, Series 1997 (the "Bonds") are full faith and credit general obligations of the Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "District"), payable from ad valorem taxes levied on all taxable property within the boundaries of the District without limitation as to rate or amount. The proceeds of the Bonds will be used to construct and equip a new high school building, and to renovate other school facilities. Interest is payable to the registered owners on each interest payment date commencing December 1, 1998 and semi-annually on each December 1 and June 1 thereafter. The principal of the Bonds will be payable to the registered owner at the principal office of Magna Trust Company, Belleville, Illinois, the Registrar and Paying Agent upon surrender of the Bond on or after its maturity date.

The Bonds are issuable only in fully registered form, without coupons, and, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in the Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, references herein to the Bondowners or registered owners shall mean Cede & Co. and shall not mean the Beneficial Owners (herein defined) of the bonds. Principal of and semiannual interest on the Bonds will be paid by the Paying Agent to DTC. DTC is expected to remit such principal and interest payments to the DTC Participants (herein defined) for subsequent payment to the Beneficial Owners.



The payment of the principal of and the interest on the Bonds when due for payment which is unpaid by reason of nonpayment will be guaranteed by a municipal bond insurance policy to be issued simultaneously with the delivery of the Bonds by FINANCIAL SECURITY ASSURANCE INC.

<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>
1999	\$200,000	7.00%	4.25%	2006	\$295,000	5.05%	5.05%
2000	215,000	6.90	4.50	2007	310,000	5.10	5.10
2001	230,000	6.90	4.70	2008	325,000	5.20	5.20
2002	240,000	4.85	4.85	2009	345,000	5.30	5.30
2003	255,000	4.90	4.90	2010	360,000	5.35	5.35
2004	265,000	4.95	4.95	2011	380,000	5.40	5.40
2005	280,000	5.00	5.00				

(plus accrued interest)

The Bonds maturing on or after December 1, 2005 are subject to redemption prior to their respective maturities at the option of the District, on December 1, 2004 and any interest payment date thereafter, as a whole or in part, in inverse order of maturity and within maturity by lot, as set forth herein.

The Bonds are offered, when, as and if issued and received by the Underwriter, subject to prior sale, withdrawal, or modification of the offer without any notice, and to the approval of legality by Bond Counsel, Evans, Froehlich & Beth, Champaign, Illinois. It is expected that the Bonds will be available for delivery on or about June 12, 1997.



First St. Louis Securities, Inc.

The date of this Official Statement is May 27, 1997.

AGREEMENT

AGREEMENT by and between Wesclin Community Unit School District #3, Clinton and St. Clair Counties, Illinois: The said Magna Trust Company agrees to act as Paying Agent and Bond Registrar for the following described bonds:

\$3,700,000 Wesclin Community Unit School District #1, Clinton and St. Clair Counties, Illinois General Obligation School Bonds Dated June 1, 1997 in registered form due December 1 in the following years and amounts:

\$200,000.00	due	1999	@	7.00%
\$215,000.00	due	2000	@	6.90%
\$230,000.00	due	2001	@	6.90%
\$240,000.00	due	2002	@	4.85%
\$255,000.00	due	2003	@	4.90%
\$265,000.00	due	2004	@	4.95%
\$280,000.00	due	2005	@	5.00%
\$295,000.00	due	2006	@	5.05%
\$310,000.00	due	2007	@	5.10%
\$325,000.00	due	2008	@	5.20%
\$345,000.00	due	2009	@	5.30%
\$360,000.00	due	2010	@	5.35%
\$380,000.00	due	2011	@	5.40%

Charges for services as Bond Registrar and Paying Agent will be per the current fee schedule at the time the services are rendered.

Respectfully submitted
MAGNA TRUST COMPANY
Belleville, Illinois

Date: 6-20-97

by: 

The following statement is hereby accepted for an on behalf of Wesclin Community Unit School District #1, pursuant to proper action taken by the District on this 23rd day of June, 1997.





1401 South Brentwood Boulevard
9th Floor
St. Louis, Missouri 63144
314 963-2401

June 20, 1997

Wesclin Community Unit School Dist #1
Attn: Timothy C Bair, Treasurer
Route 160 South
Trenton, Illinois 62293

RE: Registrar and Paying Agency Agreement between Magna Trust
Company and Wesclin Community Unit School District #1

Dear Mr. Bair:

Enclosed is a Registrar and Paying Agency Agreement between the
School District and Magna Trust Company. I have signed this
agreement on behalf of the Trust Company and request that you sign
it on behalf of the District. Please sign where indicated and
return in the enclosed envelope.

Please feel free to call me at 314-963-2472 if there are any
questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kent Schroeder', is written over the word 'Sincerely,'.

Kent Schroeder
Corporate Trust Officer

STATE OF ILLINOIS)
) SS.
COUNTIES OF CLINTON)
AND ST. CLAIR)

CERTIFICATION OF RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of Wesclin Community Unit School District No. 3, Clinton and St. Clair 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 excerpt from the proceedings of the meeting of the Board held on the 27th day of May, 1997, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION providing for the issue of \$3,700,000 General Obligation School Bonds, Series 1997, of Wesclin Community Unit School District No. 3, Clinton and St. Clair Counties, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on such bonds, and related matters,

a true, correct and complete copy of which such resolution as adopted at such meeting appears in the foregoing transcript of the minutes of such meeting.

I do further certify that the deliberations of the Board on the adoption of such resolution were conducted openly, that the vote on the adoption of such resolution was taken openly and was preceded by a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, that such meeting was called and held at a specified time and place convenient to the public, that notice of such meeting was duly given to all of the news media requesting such notice, that such meeting was called and held in strict compliance with the provisions of the open meetings laws 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 such Act and such Code and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature, this _____ day of _____, 1997.

Secretary, Board of Education

RESOLUTION PROVIDING FOR THE ISSUE OF \$3,700,000 GENERAL OBLIGATION SCHOOL BONDS, SERIES 1997, OF WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3, CLINTON AND ST. CLAIR COUNTIES, ILLINOIS, AND FOR THE LEVY OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST ON SUCH BONDS, AND RELATED MATTERS

* * *

WHEREAS, the Regional Superintendent of Schools of Clinton, Marion and Washington Counties, Illinois (the "**Regional Superintendent**"), the enforcing authority charged with the responsibility for the enforcement of Building Specifications for Health and Safety in the Public Schools, as promulgated by the rules of the office of the State Board of Education of the State of Illinois, has entered orders that Wesclin Community Unit School District No. 3, Clinton and St. Clair Counties, Illinois (the "**District**"), in order to conform its existing school buildings to such building specifications for health and safety in public schools, alter, reconstruct and repair such school buildings as set forth in the certified estimates of a duly licensed architect or engineer, the school buildings to be altered, reconstructed and repaired and the amount set forth in such orders and estimates, as most recently amended, being as follows (the "**Health and Safety Work**"):

<u>School Building(s)</u>	<u>Amount of Order and Estimate</u>
Wesclin Junior/Senior High School	1,372,598.00
Total	\$ 1,372,598.00

; and

WHEREAS, the District's Board of Education (the "**Board**") hereby determines that it is also necessary for the safety of school children under applicable standards of the State Board of Education of the State of Illinois that the alterations, reconstruction and repairs set forth in the estimates be undertaken; and

WHEREAS, the Board and directs that the foregoing Health and Safety Work be undertaken, hereby approves the respective estimate for each such item, and determines that such Health and Safety Work, will be made with funds not necessary for the completion of approved and recommended projects for fire prevention and safety; and

WHEREAS, there are not sufficient funds available in the operation, building and maintenance fund of the District to make such alterations, reconstruction or repairs as ordered by the Regional Superintendent and as determined necessary for the safety of school children under applicable standards of the State Board of Education of the State of Illinois by the Board; and

WHEREAS, related to the Health and Safety Work the certified estimates of a duly licensed architect or engineer have been approved by the Regional Superintendent and by the State Superintendent of Education of the State of Illinois; and

WHEREAS, pursuant to the District's Resolution Calling Special Election, adopted January 20, 1997 (the "Referendum Resolution"), the District submitted to the voters of the District at the April 1, 1997 consolidated election (the "Election") the proposition (the "Proposition"), as follows:

Shall the Board of Education of Wesclin Community Unit School District No. 3, Counties of St. Clair and Clinton State of Illinois, construct additions to and make repairs and alterations to the Trenton Elementary School, New Baden Elementary School and Wesclin Junior/Senior High School, improve the sites, and equip and furnish the aforesaid buildings and additions, and to pay for the cost thereof issue bonds to the aggregate amount of THREE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$3,700,000.00)?

, which Proposition was approved by the voters at the Election by the vote of: 1,367 "IN FAVOR" AND 1,095 "AGAINST", authorizing the District to construct additions to and make repairs and alterations to the Trenton Elementary School, New Baden Elementary School and Wesclin Junior/Senior High School, improve the sites, and equip and furnish the aforesaid buildings and additions (the "Building Work", which together with the Health and Safety Work collectively constitute the "Project"); and

WHEREAS, the Board hereby finds that it is authorized at this time to issue General Obligation Bonds, Series 1997, in the aggregate amount of \$3,700,000 (the "Bonds") to provide for the Project, as described above; and

WHEREAS, pursuant to the District's application Financial Security Assurance Inc., New York, New York, (the "Insurer") issued its commitment (including the Insurer's standard package of terms, the "Commitment") to issue its Municipal Bond Insurance Policy (the "Policy") securing the payment when scheduled due of the principal of and interest on the Bonds; and

WHEREAS, the District has received and reviewed a Bond Purchase Agreement (the "Bond Purchase Agreement") pursuant to which First St. Louis Securities, Inc, St. Louis, Missouri (the "Underwriter") proposes to purchase, underwrite and market the Bonds as described in the Preliminary Official Statement therefor (the "Preliminary Official Statement"), which when supplemented and completed shall constitute the final Official Statement (the "Official Statement"), which the District authorizes the Underwriter to use in the marketing of the Bonds, and the District will execute and deliver a Continuing Disclosure Certificate and Agreement (the "Disclosure Agreement") under Rule 15c2-12 of the Securities and Exchange Commission; and

WHEREAS, the Board deems it advisable, necessary and for the best interests of the District that \$3,700,000 of the Bonds so authorized be issued at this time.

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE BOARD OF EDUCATION OF WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3, CLINTON AND ST. CLAIR 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 the sum of \$3,700,000 upon the credit of the District and as evidence of such indebtedness to issue Bonds of the District in such amount, the proceeds of such Bonds to be used for the purpose (i) of financing the Project and (ii) of paying costs of issuance of the Bonds. The Health and Safety Work is to conform the school buildings described above to the Building Specifications for Health and Safety in the Public Schools, as promulgated by the rules of the office of the State Board of Education of the State of Illinois, as more particularly set forth in the aforesaid certified estimates of a duly licensed architect or engineer, which certified estimates were approved by the Regional Superintendent and by the State Superintendent of Education of the State of Illinois. It is necessary and for the best interests of the District that there be issued at this time \$3,700,000 of the Bonds so authorized to finance the Project.

Section 3. Bond Details. There shall be and is hereby authorized to be borrowed on the credit of and for and on behalf of the District the sum of \$3,700,000 for the purposes aforesaid; that general obligation Bonds of the District shall be issued in such amount and each shall be designated "General Obligation School Bond, Series 1997."

(a) General. The Bonds shall be dated June 1, 1997, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each and

authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), shall be numbered 1 and upward, and the Bonds shall become due and payable serially (subject to prior redemption as herein provided) on December 1 of each of the years in the principal amount and shall bear interest and the rates percent per annum, as follows:

<u>Year</u>	<u>Principal Amount(\$)</u>	<u>Interest Rate(%)</u>
1999	200,000	7.00
2000	215,000	6.90
2001	230,000	6.90
2002	240,000	4.85
2003	255,000	4.90
2004	265,000	4.95
2005	280,000	5.00
2006	295,000	5.05
2007	310,000	5.10
2008	325,000	5.20
2009	345,000	5.30
2010	360,000	5.35
2011	380,000	5.40

The Bonds shall bear interest from the later of their dated date or the most recent interest payment date to which interest has been paid or duly provided for, as the case may be, 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 on December 1, 1998 and each June 1 and December 1 thereafter. Interest on each Bond shall be paid by check or draft of Magna Trust Company, Belleville, Illinois (the "Paying Agent"), payable in lawful money of the United States of America, by check or draft of the Paying Agent mailed to the person in whose name such Bond is registered at the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent.

Of the proceeds of the Bonds, the District allocates \$520,000 to the Health and Safety Work and \$3,180,000 to the Building Work. Certain maturities of the Bonds are allocated, as follows:

<u>To the Health and Safety Work</u>		<u>To the Building Work</u>	
<u>Year</u>	<u>Principal Amount(\$)</u>	<u>Year</u>	<u>Principal Amount(\$)</u>
1999	115,000	1999	85,000
2000	125,000	2000	90,000
2001	135,000	2001	95,000
2002	145,000	2002	95,000
		2003	255,000
		2004	265,000
		2005	280,000
		2006	295,000
		2007	310,000
		2008	325,000
		2009	345,000
		2010	360,000
		2011	380,000

(b) Execution. 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, 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 Magna Trust Company, Belleville, Illinois (including its successors, 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.

The President, Secretary or School Treasurer may, in his or her discretion at any time, designate a bank with trust powers or trust company, duly authorized to do business as a bond registrar, paying agent, or both, to act in one or both such capacities hereunder, in the event the President, Secretary or

School Treasurer shall determine it to be advisable. Notice shall be given to the registered owners of any such designation in the same manner, as near as may be practicable, as for a notice of redemption of Bonds, and as if the date of such successor taking up its duties were the redemption date.

(c) Redemption. The Bonds shall be subject to redemption prior to maturity as provided in this subsection (c).

(i) Optional Redemption. Bonds maturing on and after December 1, 2005, are subject to call for redemption prior to maturity at the option of the District in inverse order of maturity on December 1, 2004, and on any interest payment date thereafter, as a whole or in part, on the applicable redemption date and at a redemption price (expressed as a percentage the principal amount to be so redeemed), plus accrued interest to the date fixed for redemption, as follows:

<u>Redemption Dates</u>	<u>Redemption Price (%)</u>
December 1, 2004 and June 1, 2005	102
December 1, 2005 and June 1, 2006	101
December 1, 2006 and thereafter	100

(ii) Procedure. The District covenants that it will redeem Bonds pursuant to the redemption provisions applicable to such Bonds. Proper provision for redemption having been made, the District covenants that the Bonds so selected for redemption shall be payable as at maturity.

The District shall, at least 45 days prior to an optional redemption date (unless a shorter time shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the principal amount of Bonds to be redeemed. In the event that less than all of the Bonds of a particular series or maturity are called for redemption as aforesaid, as necessary, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than sixty (60) days or less than thirty (30) days prior to the redemption date by the Bond Registrar 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 \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. 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.

Unless waived by the registered owner of Bonds to be redeemed, presentment for payment being conclusively such a waiver, notice of any such redemption shall be given by the Bond Registrar on behalf of the District by mailing the redemption

notice by first class mail not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each registered owner of the Bond or Bonds or portion thereof 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 include at least the information as follows: (1) the identification of the particular Bonds to be redeemed; (2) the redemption date; (3) the redemption price; (4) if less than all of the Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (5) a statement 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 such date; and (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Paying Agent.

Prior to any redemption date, the District shall deposit with the Paying Agent 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.

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, together with accrued interest, 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. Neither the failure to mail such redemption notice nor any defect in any notice so mailed to any particular registered owner of a Bond shall affect the sufficiency of such notice with respect to any other registered owner. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or the redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Upon surrender of such Bonds for redemption in accordance with such notice, such Bonds shall be paid from available funds therefor by the Paying Agent at the redemption price. Interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for the partial redemption of any Bond, there shall be

prepared for the registered owner 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, and premium, if any, 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 marked cancelled by the Bond Registrar and shall not be reissued.

In addition to the foregoing notice set forth above, further notice shall be given by the Bond Registrar on behalf of the District as set out below, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Bonds being redeemed.

Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The Depository Trust Company, of New York, New York, and Philadelphia Depository Trust Company, of Philadelphia, Pennsylvania) and to one or more national information services, chosen in the discretion of the Bond Registrar, that disseminate notice of redemption of obligations such as the Bonds.

Each further notice of redemption shall be published one time in *The Bond Buyer*, New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the registered owners of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least thirty (30) days prior to the date fixed for redemption.

(d) Payment. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify the Bond or Bonds, or portion thereof, being redeemed with the proceeds of such check or other transfer.

Section 4. Registration of Bonds, Transfer and Book-Entry. The Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein and related to book-entry only registration.

(a) General This subsection (a) is subject to the provisions of subsection (b) concerning book-entry only provisions. 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 corporate trust office of the Bond Registrar, which is hereby constituted and appointed the Bond Registrar for 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 issuance from time to time of the Bonds and in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust 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 such owner's 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 series and maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same series and 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.

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

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, premium (if any) or interest on any Bond shall be made only to or upon the order of the registered owner thereof or such registered owner's 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 exchanged in the case of the issuance of a Bond or Bonds for the outstanding portion of a Bond surrendered for redemption.

(b) Book-Entry-Only Provisions. As set forth in the Official Statement, the Bonds shall be issued in the form of a separate single fully registered Bond of each series for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond may be registered in the Bond Register therefor in a street name (presently expected to be "Cede & Co.") of The Depository Trust Company, New York, New York (the "Depository"), or any authorized successor thereto, as nominee of the Depository. The outstanding Bonds from time to time may be registered in the Bond Register in a street name, as nominee of the Depository. The President, Secretary or School Treasurer is each authorized to execute and deliver on behalf of the District such letters to or agreements with the Depository as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "Representation Letter"). Without limiting the generality of the authority given to the President, Secretary or School Treasurer with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interest therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of a nominee of the Depository, the District and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "Direct Participant") or to any person on behalf of whom such a Direct Participant holds an interest in the Bonds, an "indirect participant" or "beneficial owner." Without limiting the meaning of the foregoing, the District and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the nominee, or any Direct Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Direct 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 (c) the payment to any Direct 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 principal of or interest on the Bonds.

As long as the Bonds are held in a book-entry-only system, no person other than the nominee of the Depository, or any authorized successor thereto, as nominee for the Depository, shall receive a Bond certificate with respect to any Bonds. Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new nominee in place of the prior nominee, and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the applicable interest payment date, the reference herein to nominee in this resolution shall refer to such new nominee of the Depository.

In the event that (a) the District determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the District, the Bond Registrar, the Paying Agent and the Depository evidenced by the Representation Letter shall be terminated for any reason or (c) 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 the Depository and the Direct Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of a nominee of the Depository. At that time, the District may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a 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 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 hereof. Notwithstanding any other provision of this resolution to the contrary, so long as any Bond is registered in the name of a nominee of the Depository, 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 manner provided in the Representation Letter.

Section 5. Form of Bonds. The Bonds shall be prepared in compliance with the National Standard Specifications for Fully Registered Municipal Securities prepared by the American National Standards Institute and shall be in substantially the following form [with appropriate insertions, deletions and modifications, including in respect of the customs and practices of printing, temporary Bonds, abbreviations to show the capacity of ownership and use of manual signatures]; provided, however, that the foregoing shall not be given effect to the extent necessary to permit the delivery of temporary Bonds preliminary to the availability of Bonds in definitive form and 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 paragraphs [7] through [11] shall be inserted immediately after paragraph [1]:

[The remainder of this page intentionally left blank.]

due date, 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 a direct annual tax sufficient 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. Notwithstanding any other provision hereof, at any time that the Bonds are registered in the name of a securities depository or its nominee, the manner and timing of payment of Bonds shall be governed by the agreement entered into with such securities depository.

[5] This Bond and the series of Bonds of which this Bond is one have been designated by the District as "**qualified tax-exempt obligations**" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

[6] **IN WITNESS WHEREOF**, Wesclin Community Unit School District No. 3, Clinton and St. Clair Counties, Illinois, by its Board of Education, has caused this Bond to be signed by the duly authorized facsimile signatures of the President and Secretary of the District's Board of Education, and to be registered, numbered and countersigned by the duly authorized facsimile signature of the School Treasurer who receives the taxes of the District, all as of the Dated Date identified above.

President, Board of Education

Secretary, Board of Education

Registered, Numbered and Countersigned:

School Treasurer

Bond Registrar Magna Trust Company
and Paying Agent: Belleville, Illinois

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This Bond is one of the General Obligation School Bonds, Series 1997, of Wesclin Community Unit School District No. 3, Clinton and St. Clair Counties, Illinois.

**MAGNA TRUST COMPANY, Belleville,
Illinois, as Bond Registrar**

By _____
Authorized Officer

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[Form of Bond - Reverse Side]

**Wesclin Community Unit School District No. 3
Clinton and St. Clair Counties, Illinois
General Obligation School Bond, Series 1997**

[7] This Bond is one of a series of Bonds issued by the District (i) construct additions to and make repairs and alterations to the Trenton Elementary School, New Baden Elementary School and Wesclin Junior/Senior High School, improve the sites, and equip and furnish the aforesaid buildings and additions (ii) for the purpose of altering, reconstructing and repairing certain existing school buildings of the District described in the resolution of the District's Board of Education pursuant to which this Bond is issued, in full compliance with the rules of the office of the State Board of Education of the State of Illinois, the orders of the Regional Superintendent of Schools of Clinton, Marion and Washington Counties, Illinois, requiring alterations, reconstruction and repairs for fire prevention and life safety purposes, and the determination of the Board of Education of the District that such alterations, reconstruction and repairs are also necessary for the safety of school children under applicable standards of the State Board of Education of the State of Illinois, and that such alterations, reconstruction and repairs are to be in accordance with the certified estimates of a duly licensed architect or engineer and in full compliance with the provisions of the School Code of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and (iii) of paying costs of issuance of the Bonds, and are authorized by the District's Board of Education by a resolution duly and properly adopted on May 27, 1997 for that purpose, in all respects as provided by law.

[8] Bonds maturing on and after December 1, 2005, are subject to call for redemption prior to maturity at the option of the District in inverse order of maturity on December 1, 2004, and on any interest payment date thereafter, as a whole or in part, on the applicable redemption date and at a redemption price (expressed as a percentage the principal amount to be so redeemed), plus accrued interest to the date fixed for redemption, as follows:

<u>Redemption Dates</u>	<u>Redemption Price (%)</u>
December 1, 2004 and June 1, 2005	102
December 1, 2005 and June 1, 2006	101
December 1, 2006 and thereafter	100

[9] This Bond is transferable by the registered owner hereof in person or by such registered owner's attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Belleville, 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 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.

[10] The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust 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.

[11] The District, the Paying Agent and the Bond 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 Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

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

(Name, Address and Tax Identification Number of Assignee)
the within Bond and does hereby irrevocably constitute and appoint _____ attorney to transfer the within 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 6. Sale of Bonds and Use of Proceeds. The Bonds 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 who receives the taxes of the District, and be by such Treasurer delivered to the Underwriter upon receipt of the purchase price therefor, the same being the price for the Bonds, plus accrued interest to date of delivery as set forth in the Bond Purchase Agreement.

(a) Bond Purchase Agreement. The Bond Purchase Agreement with the Underwriter for the sale of the Bonds heretofore or to be contemporaneously entered into, as the case may be, is in all respects ratified, approved and confirmed, it being hereby found and determined that such Bond Purchase Agreement 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, either directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation, in the Bond Purchase Agreement; and the Bonds before being issued shall be registered, numbered and countersigned by the District's Treasurer, such registration being made by the Bond Registrar in a book provided for that purpose (i.e., the Bond Register), in which shall be entered the record of the resolution authorizing the Board to borrow such money by the issuance of the Bonds and a description of the Bonds issued, including the number, date, to whom issued, amount, rate of interest and when due. The President is hereby authorized to execute and deliver the Bond Purchase Agreement, attested by the Secretary, as the case may be, for and in behalf of the District. The Underwriter is authorized to pay for the Policy and other issuance costs of the Bonds and receive a credit against the purchase price therefor.

(b) Official Statement. The District hereby authorizes and approves the Official Statement to be used in the offering and sale of the Bonds. The Preliminary Official Statement is hereby ratified as "deemed final" as of its date. The District hereby deems the Official Statement to be final as of the date of this resolution, as provided in and subject to appropriate supplements under Rule 15c2-12 of the Securities and Exchange Commission. The District will reasonably cooperate with the Underwriter in connection with the compliance by the Underwriter with requirements of such Rule 15c2-12 and applicable rules of the Municipal Securities Rulemaking Board.

(c) Disclosure Agreement. Concurrently with the issuance of the Bonds, the District shall execute the Disclosure Agreement. The Disclosure Agreement in substantially the form presented before this meeting of the Board shall be and is hereby approved and is authorized to be entered into, including with such revisions, modifications, insertions and completeness as may be desirable or necessary to give full effect to the objects and purposes thereof.

(d) Project Proceeds Fund. Proceeds received on the sale of the Bonds, net of an authorized amount necessary and to pay for the Policy and other issuance costs of the Bonds, shall be placed to the credit of a special fund hereby ordered to be created and established and maintained separate and apart from all other funds and accounts of the District and to be designated "Bond Proceeds Fund of 1997" (the "Bond Proceeds Fund", within which there shall be a "Health and Safety Account" for the Health and Safety Work and a "Building Account" for the Building Work),

which fund is hereby irrevocably pledged to and shall be used only for the purpose of paying costs of the Project (and costs of issuance of the Bonds if not otherwise paid). When the Health and Safety Work for which the designated portion of the Bonds have been issued have been accomplished and paid in full, and there remain funds on hand from the proceeds of that portion of Bonds issued for such purpose, the Board by resolution shall use those excess funds (1) for other authorized fire prevention, safety, energy conservation, and school security purposes as specified in Section 17-2.11 of the School Code or (2) for transfer to the Bond Fund for payment of principal and interest on the Bonds. If any transfer is made to the Bond Fund, the secretary of the Board shall within 30 days notify the county clerks of Clinton and St. Clair Counties of the amount of that transfer and direct such clerks to abate the taxes to be extended for the purposes of principal and interest payments on the Bonds by an amount equal to such transfer.

Section 7. Tax Levy. In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the District 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 that there be and there is hereby levied upon all of the taxable property in the District, the following direct annual tax, to-wit:

<u>For the Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
1997	\$403,260.00 for interest and principal
1998	\$394,630.00 for interest and principal
1999	\$395,212.50 for interest and principal
2000	\$394,860.00 for interest and principal
2001	\$391,105.00 for interest and principal
2002	\$394,037.50 for interest and principal
2003	\$391,231.25 for interest and principal
2004	\$392,672.50 for interest and principal
2005	\$393,223.75 for interest and principal
2006	\$392,870.00 for interest and principal
2007	\$391,515.00 for interest and principal
2008	\$393,922.50 for interest and principal
2009	\$390,150.00 for interest and principal
2010	\$390,260.00 for interest and principal

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the District, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied if, as and when the same shall be collected.

The District covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding that 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 levy and collect the foregoing tax levy and the District and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

Section 8. Filing of Resolution. 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 of Clinton and St. Clair Counties, Illinois, and it shall be the duty of such County Clerks to annually in and for the years 1997 through 2010, 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 such years for school purposes, in order to raise the respective amounts aforesaid and in each of such 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 when collected, the taxes hereby levied shall be placed to the credit of a special fund hereby ordered to be created and established and maintained separate and apart from all other funds and accounts of the District and to be designated "School Bond and Interest Fund of 1997" (the "**Bond Fund**"), which fund is hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds; and a certified copy of this resolution shall also be filed with the School Treasurer who receives the taxes of the District.

Section 9. Non-Arbitrage and Tax-Exemption. The principal proceeds from the sale of the Bonds, net of accrued interest and an amount sufficient to pay then known and approved costs of issuing the Bonds, shall be devoted to and used with due diligence for the completion of the Project, for which the Bonds are hereby authorized to be issued.

(a) General. The Board represents and certifies:

(1) That the District has incurred, or within six (6) months after the delivery of the Bonds expects to incur, substantial binding obligations with respect to the Project, such binding obligations comprising contracts for the construction of the Project in the amount of not less than 5.0% of the proceeds allocated to the Project.

(2) That the District expects that all of the money derived from the sale of the Bonds and deposited in the Bond

Proceeds Fund, which contains the accounts from which the costs of the Project are to be paid and all of the investment earnings on the money in such Bond Proceeds Fund, will be expended on or before June 1, 2000, for the purpose of paying the cost of the Project, such date being within three (3) years following the date of issue of the Bonds.

(3) That the foregoing is based upon consultation with the architects and/or engineers who are employed by the District to supervise the acquisition and construction of the Project.

(4) That the District is a local governmental unit with general taxing powers and work on the Project is expected to proceed with due diligence to completion reasonably expected to be within three (3) years of the delivery of the Bonds.

(5) That the Project has not been and is not expected to be sold or otherwise disposed of in whole or in part prior to the last maturity of the Bonds.

(6) That all of the proceeds of sale of and investment earnings on the Bonds are needed for the purposes for which the Bonds are issued, including expenses incidental to such purpose and to the issuance of the Bonds.

(7) That accrued interest received upon the sale of the Bonds, will be deposited in the Bond Fund and applied to the first interest due on the Bonds, and that the balance of the proceeds of sale of the Bonds will be deposited, after funding the Policy and other costs of issuance of the Bonds to be paid by the Underwriter for the District, in the Bond Proceeds Fund and applied to the costs of the Project.

(8) That the District has not accumulated and does not expect to accumulate amounts of money in a fund to pay or to be held as security for the payment of principal and interest on the Bonds, other than in the Bond Fund, and (a) amounts deposited in the Bond Fund are expected to be spent within thirteen (13) months from the date of deposit thereof into the Bond Fund; (b) interest earned by the Bond Fund is to be spent within twelve (12) months from date of receipt; and (c) the Bond Fund will be depleted at least once a year to an amount not greater than 1/12 of the then current annual debt service on the Bonds.

(9) That in connection with the Bonds the District does qualify as a "small issuer" under Section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended (the "Code") and reasonably expects not to issue tax exempt obligations during the calendar year 1997 that exceed the total aggregate amount of \$5,000,000 to be taken into account under such Section 148(f)(4)(D), and the District

reserves the right to apply any exceptions from arbitrage rebate applicable to it, including under Section 148(f)(4)(C) as certified by the President.

(10) The District has on hand no funds which could legally and practically be used for the Project which are not pledged, budgeted, earmarked or otherwise necessary to be used for other purposes. Accordingly, no portion of the Proceeds will be used (i) directly or indirectly to replace funds of the District or any agency, department or division thereof that could be used as herein provided, or (ii) to replace any proceeds of any prior issuance of obligations by the District. No portion of the Bonds is being issued solely for the purpose of investing Proceeds at a Yield higher than the Yield on the Bonds. For purposes of this Section, "Yield" or "yield" means that yield (that is, the discount rate) which when used in computing the present worth of all payments of principal and interest to be paid on an obligation (using semi-annual compounding on the basis of a 360-day year) produces an amount equal to the purchase price of the obligation, including accrued interest. The "purchase price" of the Bonds is equal to the first offering price at which more than 10% of the principal amount of each maturity of the Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers).

(11) Other than deposits to the Bond Fund, no funds or accounts have been or are expected to be established, and no moneys or property have been or are expected to be pledged (no matter where held or the source thereof) which will be available to pay, directly or indirectly, the Bonds or restricted so as to give reasonable assurance of their availability for such purposes.

(12) (i) All amounts on deposit in the Bond Proceeds Fund, or the Bond Fund and all proceeds, no matter in what funds or accounts deposited ("Gross Proceeds"), to the extent not exempted in (ii) below, and all amounts in any fund or account pledged directly or indirectly to the payment of the Bonds which will be available to pay, directly or indirectly, the Bonds or restricted so as to give reasonable assurance of their availability for such purpose contrary to the expectations set forth in (f) above, shall be invested at market prices and at a Yield not in excess of the Yield on the Bonds plus, for any amounts in the Bond Proceeds Fund for Project purposes only, 1/8 of 1%.

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

(A) amounts invested in obligations described in Section 103(a) of the Code (but not specified private activity bonds as defined in Section

57(a)(5)(C) of the Code), the interest on which is not includable in the gross income of any registered owner thereof for federal income tax purposes ("Tax-Exempt Obligations");

(B) amounts deposited in the Bond Fund are reasonably expected to be expended within 13 months from the deposit date and are not to be on deposit therein for more than 13 months;

(C) an amount not to exceed 5% (but not to exceed \$100,000) of Bond proceeds;

(D) all amounts for the first 30 days after they become Gross Proceeds (i.e., the date of deposit in any fund or account securing the Bonds); and

(E) all amounts derived from the investment of the proceeds for a period of one year from the date received.

(13) Subject to (21) below, once moneys are subject to the Yield limits of (12)(i) above, such moneys remain Yield restricted until they cease to be Gross Proceeds.

(14) None of the proceeds of the Bonds will be used, directly or indirectly, to replace funds which were used in any business carried on by any person other than a state or local governmental unit.

(15) The payment of the principal of or the interest on the Bonds will not in violation of Section 141 of the Code, directly or indirectly, be (A) secured by any interest in (i) property used or to be used for a private business use by any person other than a state or local governmental unit, or (ii) payments in respect of such property, or (B) derived from payments (whether or not by or to the District), in respect of property, or borrowed money, used or to be used for a private business use by any person other than a state or local governmental unit.

(16) None of the proceeds of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(17) No user of the Project facilities financed with proceeds of the Bonds other than a state or local government unit will use the Project or facilities financed with proceeds of the Bonds on any basis other than the same basis as the general public, and no person other than a state or local governmental unit will be a user thereof as a result of (i) ownership, or (ii) actual or beneficial use pursuant

to a lease or a management or incentive payment contract, or (iii) any other similar arrangement.

(18) Beginning on the 15th day prior to the Bond sale date, the District has not sold or delivered, and will not sell or deliver, (nor will it deliver within 15 days after the date of issuance of the Bonds) any other obligations pursuant to a common plan of financing, which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Bonds or will be paid directly or indirectly from Proceeds.

(19) No portion of the Project facilities financed with proceeds of the Prior Bonds is expected to be sold or otherwise disposed of prior to the last maturity of the Bonds.

(20) The District has not been notified of any disqualification or proposed disqualification of it by the Internal Revenue Service as a bond issuer which may certify bond issues under the Income Tax Regulations.

(21) The Yield restrictions contained in (12) above or any other restriction or covenant contained herein need not be observed and may be changed if the District receives an opinion of bond counsel to the effect that such non-observance or change will not adversely affect the tax-exempt status of interest on the Bonds to which the Bonds otherwise are entitled.

(22) 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 and that bond counsel should be contacted if such changes do occur.

(23) That to the best of the knowledge and belief of the Board, there are no facts, estimates or circumstances that would materially change the conclusions and representations set out in this Section and the expectations set out in this Section are reasonable.

The Board also certifies and further covenants with the purchasers and holders of the Bonds from time to time outstanding, that so long as any of the Bonds remain outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be "private activity bonds," "arbitrage bonds" or "hedge bonds" within the meaning of Sections 141, 148 and 149(g) of the Code, and any lawful applicable Income Tax Regulations, including those temporary or proposed, and including Section 1.148-0 et seq., as

the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Board reserves the right, however, to make any investment of such moneys permitted by Illinois law if, when and to the extent that such Section 148 or the applicable regulations shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the opinion of counsel of recognized competence in such matters, result in making the interest on the Bonds subject to federal income taxation by such action.

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.

(b) Rebate Account. To the extent the District receives an approving opinion of bond counsel, the District will rebate excess arbitrage to the United States of America under Section 148(f)(2) of the Code. There is hereby created a separate and special account known as the "**Rebate Account,**" into which there shall be deposited as necessary investment earnings in the Bond Fund and the Bond Proceeds Fund to the extent required so as to maintain the tax exempt status of interest on Bonds. All rebates, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) under Section 148(f) of the Code shall be payable from the Rebate Account.

(c) Investments. The moneys on deposit in the Funds and accounts herein may be invested from time to time in any legal investment, subject, however, to the limitations and restrictions related to the Insurer's Policy as described below in Section 17. Any such investments may be sold from time to time by the District as moneys may be needed for the purposes for which such Funds and such accounts have been created. In addition, the School Treasurer shall sell such investments when necessary to remedy any deficiency in such Funds or accounts. Any earnings on such investments shall first be attributed to the Bond Fund so long as the balance in such Fund is less than the debt service requirements thereof. Otherwise, earnings and losses shall be charged to the fund or account from which they arose. Investments shall be valued at least annually at the lower of cost or market.

Section 10. Designation of Issue. The District hereby covenants that it will not issue any other obligations with a common purpose as the Bonds and will not issue any obligations of any kind or for any purpose in excess of the total aggregate amount of \$10,000,000 to be taken into account under Section 265(b)(3) of the Code during the calendar year 1997 in which the

Bonds are issued, and that the District hereby designates the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

Section 11. General Covenants. The District covenants and agrees with the registered owners of the Bonds, that so long as any Bonds remain outstanding and unpaid:

(a) The District will punctually pay or cause to be paid from the taxes levied hereunder the principal of, interest on and premium, if any, to become due in respect of 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 hereof.

(b) The District will pay and discharge, or cause to be paid and discharged from the taxes levied hereunder any and all lawful claims which, if unpaid, might become a lien or charge upon the taxes levied hereunder or any part thereof, or upon any funds in the hands of the Paying Agent, or which might impair the security of the Bonds. Nothing herein contained shall require the District to make any such payment so long as the District in good faith shall contest the validity of such claims.

(c) The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the Project, the Bond Fund, the Bond Proceeds Fund and the taxes levied hereunder. Such books of record and accounts shall at all times during business hours of the District be subject to the inspection of the registered owners of not less than ten per cent (10%) (or such lesser percentage as may be required by applicable law) of the principal amount of the Bonds then outstanding, or their representatives authorized in writing.

(d) The District will preserve and protect the security of the Bonds and the rights of the registered owners of the Bonds, including without limitation the right at all times to receive and apply the taxes levied hereunder in the manner, at the time and with the effect contemplated by this resolution, with respect to which, among other things, the District covenants to strictly comply with all requirements of the School Code in connection therewith and herewith, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of the Bonds by the District, the Bonds shall be incontestable by the District.

(e) The District and the Board will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this resolution, and for the better assuring and confirming unto the registered owners of the Bonds, the Paying

Agent and the Bond Registrar of the rights and benefits provided in this resolution.

(f) The District will certify to the County Clerks of Clinton and St. Clair Counties the abatement of taxes levied, as applicable, in connection herewith.

Section 12. Payment and Discharge. The Bonds may be discharged, payment provided for, and the District's liability terminated, in whole or in part, as follows:

(a) Discharge of Indebtedness. If (i) the District shall pay or cause to be paid to the registered owners of the Bonds the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, (ii) all fees and expenses of the Bond Registrar and Paying Agent shall have been paid, and (iii) the District shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this resolution expressed as to be kept, performed and observed by it or on its part, then these presents and the rights hereby granted shall cease, determine and be void. If the District shall pay or cause to be paid to the registered owners of all outstanding Bonds of a particular series, or of a particular maturity within a series, the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, such Bonds shall cease to be entitled to any lien, benefit or security under this resolution, and all covenants, agreements and obligations of the District to the registered owners of such Bonds shall thereupon cease, terminate and become void and discharged and satisfied.

(b) Provision for Payment. Bonds for the payment or redemption of which sufficient monies or sufficient Government Securities shall have been deposited with the Paying Agent (whether upon or prior to the maturity or the mandatory redemption date of such Bonds) shall be deemed to be paid within the meaning of this resolution and no longer outstanding under this resolution; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in this resolution or arrangements satisfactory to the Bond Registrar (including Certified Public Accountant verifications and opinions of bond counsel) shall have been made for the giving thereof. Government Securities shall be considered sufficient only if such investments are not redeemable prior to maturity at the option of the issuer thereof and mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal and redemption premiums if any when due on the Bonds without rendering the interest on any Bonds taxable under the Code. The District may at any time surrender to the Bond Registrar for cancellation by it any Bonds previously authenticated and delivered hereunder, which the District may have acquired in any manner whatsoever, and such

Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Termination of District's Liability. Upon the discharge of indebtedness under paragraph (a) hereof, or upon the deposit with the Paying Agent or another appropriate escrow agent of sufficient money and Government Securities (such sufficiency being determined as provided in paragraph (b) hereof) for the retirement of any particular Bond or Bonds, all liability of the District in respect of such Bond or Bonds shall cease, determine and be completely discharged and the registered owners thereof shall thereafter be entitled only to payment out of the money and the proceeds of the Government Securities deposited as herein described for their payment.

Section 13. Resolution a Contract. The provisions of this resolution shall constitute a contract between the District and the registered owners of the Bonds, and no changes, additions or alterations of any kind shall be made hereto which are adverse to the interests of the registered owners of the Bonds.

Section 14. 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 is 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.

Section 15. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the registered owners and holders of all Bonds and upon any transfer shall add the name and address of the new registered owner and eliminate the name and address of the transferor registered owner.

Section 16. 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 (in any event, (a) - (f) shall apply to the Paying Agent and Bond Registrar):

(a) to act as bond registrar, authenticating agent, paying agent (as the case may be, or by similar agreement with another as paying agent) and transfer agent as provided herein;

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

(c) to give notices 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.

The District may discharge the Bond Registrar and Paying Agent at any time and appoint a successor. Upon such a replacement, within 20 days the District shall cause notice to be given to the registered owners of the Bonds.

Section 17. Bond Insurance. The application to the Insurer for the Policy is hereby ratified, confirmed and approved. The Commitment, the Insurer's standard package of terms and the terms and provisions of the Policy are incorporated into this resolution by reference, including without limitation that any investment restrictions and limitations in the Commitment and related to the Policy shall be deemed to be applicable restrictions and limitations on the investments otherwise authorized by this resolution. The Commitment and the Insurer's standard package of terms are attached hereto and incorporated herein by reference.

Section 18. 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 or provision shall not affect any of the remaining provisions of this resolution.

Section 19. 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.

Upon motion by Board Member _____,
seconded by Board Member _____, adopted this 27th
day of May, 1997, by roll call vote, as follows:

Voting "aye" (names): _____

Voting "nay" (names): _____

ABSENT (names): _____

President, Board of Education

Secretary, Board of Education