

FINAL

05-1116-RS4

November 16, 2005

**RESOLUTION PROVIDING FOR THE ISSUE OF UNLIMITED TAX GENERAL OBLIGATION BONDS
(DEDICATED REVENUES), SERIES 2005 OF THE BOARD OF EDUCATION OF THE CITY OF**

PAVING PART OF THE COFF OF CENTRAL CAPITAL IMPROVEMENTS IN AND FOR OUR BONES

purpose of providing funds in addition to the 2004 Authorization Pledged State Aid Revenues to pay the principal of and interest on such Outstanding Bonds and Alternate Bonds; and

WHEREAS the Alternate Bonds to be issued pursuant to this Resolution are herein referred to

as the "Bonds" and

WHEREAS, the Bonds will be issued under and secured by one or more Trust Indentures (each, an "Indenture"), between the Board and such bank, trust company or national banking association appointed to serve as trustee under each Indenture as provided in Section 2(a) hereof (the "Trustee"); and

WHEREAS the Bonds will be further secured by the Funds, Accounts and Sub Accounts

NOW, THEREFORE, Be It Hereby Resolved by the Chicago Board of Education of the City of Chicago, as follows:

1. Incorporation of Preambles. The preambles of this Resolution are hereby incorporated into this text as if set out herein in full.

2. Issuance of Bonds. (a) There shall be authorized the borrowing, on the credit of and for

the Board, the aggregate principal amount of not to exceed \$325,000,000 for the purpose of paying a

portion of the cost of the District. Such Bonds may be issued from time to time in one or more series.

The details of the sale of the Bonds as described in the notification of sale of such Bonds delivered by a Designated Official pursuant to Section 4(e) hereof and all provisions relating to the authorized denomination, registration, transfer and redemption of such Bonds, within the limitations set forth herein, shall be set forth in the applicable Indenture executed and delivered by a Designated Official as described herein.

(b) In order to secure the payment of the principal of, redemption price of, interest on and the

Accrued Interest (as hereinafter defined) of the Bonds, the Board hereby pledges the 2004

and 2005 General State Aid Revenue to the payment thereof and the Board covenants and agrees

accrued to the date of such determination at a semiannual compounding rate which is necessary to

produce the yield to maturity borne by such Capital Appreciation Bond.

All or any portion of the Bonds may be issued as bonds bearing interest at fixed rates and paying

interest semiannually (the "Current Interest Bonds"). The Current Interest Bonds shall be dated such date as shall be agreed upon by a Designated Official and the purchasers of the Current Interest Bonds, shall

be in fully registered form, shall be in denominations of \$5,000 each and any interest multiple thereof

Decomposed Official at the time of entry thereof. The principal of the Bonds shall become due and payable

subject to sinking fund redemption, at par and accrued interest to the date fixed for redemption, as determined by a Designated Official at the time of the sale thereof; provided, that such Bonds shall reach final maturity not later than the date set forth in Section 2(c) hereof.

Any Variable Rate Bonds may be made subject to optional or mandatory tender for purchase by

amount of such Bonds being tendered for purchase) as shall be determined by a Designated Official at

3 Tax Levy Pledged Taxes (a) For the purpose of providing funds in addition to the 2004

Authorization Pledged State Aid Revenues to pay the principal of and interest on the Bonds; there is hereby levied upon all of the taxable property within the School District, in the years for which any of the Bonds are outstanding, a direct annual tax for each of the years while the Bonds or any of them are

said year the Deadweight Taxes shall be levied and collected beyond for and on behalf of the Board in the

manner as taxes for general corporate purposes of the Board for said years are levied and collected, and

in addition to and in excess of all other taxes, and when collected, if required pursuant to any provision of

interest cost (yield) nor the net interest rate received upon the sale of such Bonds exceeds the maximum

rate otherwise authorized by applicable law, and (ii) that no excess holding period of the Bonds either

name, in the name of any other person, association, trust or corporation, in any Indenture, any escrow or

(d) in connection with the sale of any of the Bonds to provide additional security and liquidity.

for such Bonds, each of the Designated Officials is hereby authorized to obtain one or more letters of credit, lines of credit, standby bond purchase agreements or other credit or liquidity facilities, including similar agreements with or facilities (each a "Credit Facility") issued by a Bond Insurer, bank or other

financial institution (each, a "Credit Provider") if determined by such Designated Official to be desirable in connection with such sale of Bonds. Each of the Designated Officials is hereby further authorized to

Any Credit Facility obtained as provided herein shall cause the Bonds secured thereby to bear an investment grade rating from at least two nationally recognized rating services.

(e) Subsequent to the sale of any Bonds, any one or more of the Designated Officials shall file in the Office of the Secretary of the Board a notification of sale for each series of Bonds directed to the Board setting forth and including, as applicable, (i) the aggregate original principal amount of maturity

Section 5 hereof, a copy of such agreement; and (xv) the identity of and the compensation paid to the Underwriters in connection with such sale.

In the event that the Designated Official executing such notification of sale determines that the Bonds have been sold in such principal amount or maturing or bearing interest so as to require the levy of

... is ... less than the amount specified in ... in Section 2(a) hereof, then such Designated

Official shall include in the notification of sale described in this Section the amount of reduction in the

of the costs of the Project (iii) such interest to become due on Current Interest Bonds or Variable Rate

Bonds to and including March 1, 2007, or such earlier date as shall be determined by the Chief Financial
Officer and (iii) the payment of the expenses related to the issuance of the Bonds, including, without

Cross Border" version of the current "ISDA Master Agreement" accompanied by the "ISDA Municipal

certified copy of this Resolution with each of the County Collectors within ten (10) days of the passage hereof.

7 ~~Tax Exemption and Non-Arbitrage~~ Each of the Designated Officials is hereby authorized

All actions of the Designated Officials that are in conformity with the purposes and intent of this Resolution are hereby in all respects ratified, approved, and confirmed.

~~10 Severability: The provisions of this Resolution are hereby declared to be severable, and~~

if any section, phrase, or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, or provisions.

~~11 Renumber and Effective Date: This Resolution is effective immediately upon its adoption.~~