

**RESOLUTION PROVIDING FOR THE ISSUE OF UNLIMITED TAX
GENERAL OBLIGATION BONDS (DEDICATED REVENUES), SERIES 2007,
OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN AN**

**FOR THE PURPOSE OF PAYING PART OF THE COST OF CERTAIN
CAPITAL IMPROVEMENTS IN AND FOR SAID BOARD**

WHEREAS, pursuant to the provisions of Article 24 of the School Code of the State of Illinois, as

amended (the "School Code") the City of Chicago, having a population exceeding 500,000, constitutes

WHEREAS, no petition asking that the issuance of the Alternate Bonds be submitted to

referred to the Board of Public Works of the State of Illinois, on July 26, 2006, concerning the

after the date of such publication, and the Alternate Bonds were authorized to be issued; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act

of the State of Illinois, the Board called a public hearing (the "Hearing") for July 26, 2006, concerning the

issued on behalf of the Board, (ii) capitalized interest on such bonds, and (iii) costs of issuance of such

including all premiums, all on the terms and conditions set forth in this Resolution, and

WHEREAS, the Alternate Bonds to be issued pursuant to this Resolution in accordance with the 2006 Authorization are herein referred to as the "**Bonds**"; and

WHEREAS, the Bonds will be payable from (i) not more than \$125,000,000 of the State Aid payments to be made to the Board in any year pursuant to Article 18 of the School Code, or such successor or replacement fund or act as may be enacted in the future (the "**Pledged Revenues**") together with investment earnings on such amounts, and (ii) the ad valorem taxes levied or to be levied

and all of the same to be paid to the School District without limitation as to rate or amount subject to

Pledged Revenues to provide the School District with revenues, including without limitation amounts available to the School District in later years and estimated investment earnings thereon and monies held

in the funds and accounts pursuant to the Indenture, in an amount not less than 1.10 times annual debt service on the Bonds and the Series 2002B Bonds, which said the Bond has heretofore accepted and

other authorized features of such Bonds determined by either of the Designated Officials as desirable to be reflected in the title of the Bonds being issued and sold as part of such Series. The Designated

Officials are each hereby authorized to appoint a Trustee for each Series of the Bonds so issued; provided, that such Trustee shall be a bank, trust company or national banking association doing

undivided, general partnership at least \$15,000,000 or shall be a wholly owned subsidiary of such an

adequacy of the pledged revenues and estimated investment services pursuant to this paragraph (b) is

supported by the Audit and acceptance of the Audit by the Board constitutes conclusive evidence that the

conditions of Section 15 of the Act have been met. Once issued, the Bonds shall be and forever remain
until paid or defeased the general obligation of the Board for the payment of which its full faith and credit

Value of such Convertible Bonds into Current Interest Bonds shall be contained in the Fixed Rate Indenture executed and delivered by a Designated Official at the time of sale of such Convertible Bonds.

All or any portion of the Bonds may be issued as bonds bearing interest at variable rates adjustable and payable from time to time, including, but not limited to, bonds bearing interest at variable rates that are adjusted and reset from time to time. It may be necessary to cause such Bonds to be

or broker-dealer, as shall be selected by a Designated Official reflecting the terms and provisions of such Auction Rate Bonds and containing such provisions as the Designated Official executing the same shall determine are necessary or desirable in connection with the sale of such Bonds. The method of

authorized facsimile signature of the Secretary and prepared in the respective forms as provided in the applicable Indenture.

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

Pledged Revenues from the principal of and interest on the Bonds, there is hereby levied upon all of the

establishment within the School District in the year for which any of the Bonds are outstanding

including any direct annual tax required to be levied in excess of that levied in this Resolution, for collection on a timely basis to make such payments (the taxes levied or to be levied pursuant to this

Section 2(e), being referred to herein as the "Pledged Taxes")

(b) After this Resolution becomes effective, a copy hereof, certified by the Secretary of the

Board, shall be filed with each of the County Clerks of The Counties of Cook and DuPage, Illinois, and

"County Clerks"); and the County Clerks shall in and for each of the years required, ascertain the rate percent required to produce the aggregate Pledged Taxes hereinbefore provided to be levied in each of said years; and the County Clerks shall extend the same for collection on the tax books in connection with other taxes levied in said year in and by the Board for general corporate purposes of the Board, and in

The Chief Financial Officer is hereby authorized to execute and deliver on behalf of the Board -

Board Purchase Agreement with respect to the sale of the Bonds of each Series is substantially the same

such Designated Official determines such debt reserve credit facility to be desirable in providing for the funding of any required debt service requirements. Each Designated Official is also authorized to enter

into such agreements and make such covenants with any Debt Reserve Credit Facility Provider that such

Designated Official deems necessary and that are not inconsistent with the terms and provisions of this Resolution, including the payment of reasonable fees to any Debt Reserve Credit Facility Provider.

Rate.

Any Credit Facility obtained as provided herein shall cause the Bonds secured thereby to bear an

obligations of the Board being refunded with proceeds of the Bonds and the applicable redemption date (if any) of the obligations being refunded, (xii) if an escrow or other similar agreement is to be executed and delivered as authorized in **Section 5** hereof, a copy of such agreement shall be attached to said notification of sale, (xiii) the identity of and the compensation paid to the Underwriters in connection with such sale and (xiv) if such Bonds are sold as Auction Rate Bonds, the identity of and the compensation

and expense fee schedule for each auction agent, market agent and broker-dealer.

Payments, but with such changes as shall be approved by a Designated Official to reflect the terms of the Bonds proposed to be sold, is hereby in all respects, ratified, authorized and approved and shall be "deemed to" conform to Rule 45-C-10 adopted by the Securities and Exchange Commission under

the Securities Exchange Act of 1934 ("Rule 45-C-10"); and the proposed use by the Underwriters of an

investment of any funds on deposit under the Indenture, to the extent such investments are authorized

~~under the terms of the Indenture, the Investment Policy of the Board and applicable law, as in effect from~~

time to time.

(i) Either of the Designated Officials is hereby authorized to execute and deliver from time to

~~time one or more agreements with counterparties selected by either of the Designated Officials.~~

Section 4(i) shall limit or restrict the authority of any officer of the Board to enter into such agreements pursuant to prior or subsequent authorization of the Board.

(b) For the purpose of providing for the refunding of certain obligations of or issued on behalf

of the Board, each of the Designated Officials is hereby authorized to execute and deliver on or more

7. *Tax-Exemption and Non-Arbitrage.* Each of the Designated Officials is hereby authorized to take any other actions and to execute any other documents and certificates necessary to assure that the interest payments with respect to the Bonds of each Series are excludable from gross income for Federal income tax purposes, to assure that the Bonds do not constitute "arbitrage bonds" or "private activity bonds" under the Internal Revenue Code of 1986, as amended, and to effectuate the issuance and delivery of the Bonds, including but not limited to the execution and delivery of a Tax Agreement;

the gross income of the owner thereof for federal income tax purposes if determined by a Designated Official to be beneficial to the Board.

Continuing Disclosure Undertaking Each of the Designated Officials is hereby

10. *Severability.* The provisions of this Resolution are hereby declared to be severable; and

not affect the validity of the remainder of the sections, phrases, or provisions.

11. *Repealer and Effective Date.* All resolutions or parts of resolutions in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution is effective immediately upon its adoption.