

RESOLUTION PROVIDING FOR THE ISSUE OF UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS (DEDICATED REVENUES), ADDITIONAL SERIES 2009, OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000, FOR THE PURPOSE OF PAYING THE COST OF REFUNDING CERTAIN OUTSTANDING

BONDS OF SAID BOARD OF EDUCATION

WHEREAS, pursuant to the provisions of Article 34 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 one school district (the "**School District**"), which is a body politic and corporate by the name of the

WHEREAS, the Board is governed by the seven-member Chicago Board of Education, as successor to the Chicago School Reform Board of Trustees; and

WHEREAS, the Board has heretofore determined that it is advisable, necessary and in the best interests of the Board and the residents of the School District to construct, acquire and equip school and administrative buildings, site improvements and other real and personal property in and for the School District (the "**Project**"), all in accordance with the estimates of cost, including the Board's Capital Improvement Program, as heretofore approved and amended by the Board; and

... pursuant to Article 10 of the School Code, the amount of the assessment set as may be

[REDACTED]

... apportioned in the future (iii) amounts allocated and paid to the Board from the Parcel Property Tax

WHEREAS, pursuant to the 2006 Authorization, the Board expects to issue prior to June 30, 2009, (i) \$75,410,000 Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2009B; and (ii) \$20,265,000 Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2009C; and

WHEREAS, the Bonds authorized hereunder, the 2006 Authorization Bonds described in the two

~~any additional bonds authorized under the 2006 Authorization Bonds shall not exceed \$750,000,000; and~~

WHEREAS, for the purpose, among others, of providing funds to pay a portion of the cost of the Project, funding obligations or purchasing related investments of the Board and refunding certain obligations of or issued on behalf of the Board and in accordance with the provisions of the Debt Reform Act, the Board, on February 27, 2008, adopted a resolution (the "2008 Authorization") authorizing the issuance of Alternate Bonds payable from any and all of the following revenue sources: (i) not more than

~~\$1095,000,000 of the State Aid payments to be made to the Board in any year pursuant to Article 19 of the~~

general circulation within the School District, a copy of the 2008 Authorization and a notice that the 2008

Authorization Bonds are subject to a "backstop provision" under the Debt Reform Act and

2008/07/18

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WHEREAS, the Bonds may be issued from time to time in one or more series (each, a "Series") in an amount not to exceed \$90,000,000; and

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

WHEREAS, the Board may elect to pay the debt service on the Bonds from time to time in the

established and pledged pursuant to the applicable Indenture; and

WHEREAS, the Board may elect to pay the debt service on the Bonds from time to time in the

(each, a **"Bond Purchase Agreement"**) between the Underwriters and the Board, (ii) in a private

placement memorandum to be prepared by the Chief Financial Officer

determined to be necessary by either of the Designated Officials at the time of the sale of such Bonds to

Interest Bonds, Convertible Bonds or Variable Rate Bonds (each as defined herein) and any other authorized features of such Bonds determined by either of the Designated Officials as desirable to be

held in the funds and accounts pursuant to each indenture, to the payment of the Bonds and the provision

of an additional 10 times annual debt service in the case of Bonds to be paid from a governmental

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 pay integral multiples

thereof and shall be numbered as determined by the Trustee

The Bonds may be initially issued as Capital Appreciation Bonds containing provisions for the conversion of the Compound Accreted Value of such Bonds into Current Interest Bonds (the "Convertible Bonds") at such time following the initial issuance as shall be approved by a Designated Official. While in the form of Capital Appreciation Bonds, such Convertible Bonds shall be subject to all of

payable only at the maturity thereof, at a rate or rates not to exceed 9 percent per annum, all as shall be determined by a Designated Official at the time of sale of such Bonds.

The Variable Rate Bonds shall bear interest from time to time at such rates determined (i) by such remarketing or other indexing agent as shall be selected by a Designated Official for that purpose or (ii) pursuant to such index or indices as shall be selected by a Designated Official for that purpose, which interest rate or rates shall not exceed the maximum permitted by law for obligations of the Board, but in no event more than 15 percent per annum, subject to the provisions of **Section 4(d)** hereof. The method

shall be specified in the applicable Variable Rate Indenture. Each Variable Rate Bond shall bear interest

such rates shall be determined by a Designated Official at the time of sale of

(e) The Bonds of each Series may initially be issued in book-entry only form as provided in the applicable Indenture. The Bonds shall be executed by the manual or duly authorized facsimile

“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

and the Pledged Taxes shall be levied and collected by and for and on behalf of the Board in like

final terms as shall be approved by the Chief Financial Officer, such approval to be evidenced by such
Chief Financial Officer's execution thereof, and the Chief Financial Officer is also authorized to do all

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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.

(d) In connection with the sale of the Bonds of any Series, to provide additional security and liquidity for such Bonds, each of the Designated Officials is hereby authorized to obtain a letter of credit, line of credit or other credit or liquidity facility, including similar agreements with or facilities issued by a Bond Insurer (a "**Credit Facility**"), 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

"**Credit Provider**") and to execute and deliver on behalf of the Board a credit, reimbursement or similar

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 the Bonds of any Series, either or both of the Designated Officials shall file in the Office of the Secretary of the Board a notification of sale directed to the Board setting forth (i) the aggregate original principal amount of, maturity schedule, redemption provisions and interest rates for the Bonds sold, (ii) a description of the specific Pledged Revenues pledged to the payment of the principal of, redemption price of, interest on and the Compound Accreted Value of the Bonds of such Series, (iii) the principal amounts of the Bonds sold as Current Interest Bonds, Capital Appreciation Bonds, Convertible Bonds and Variable Rate Bonds, respectively, (iv) in the case of Bonds sold as Capital Appreciation Bonds and Convertible Bonds (A) the Original Principal Amount of each

Yields to Maturity on the Capital Appreciation Bonds and Convertible Bonds being sold, and (B) a table of Compound Accreted Value per \$5,000 Maturity Amount for any Capital Appreciation Bonds and Convertible Bonds being sold, setting forth the Compound Accreted Value of each such Capital Appreciation Bond and Convertible Bond on each semiannual compounding date, (v) the interest rates

designated pursuant to **Section 2** hereof with respect to the Bonds, (xiii) the identification of the

dates of the Outstanding Bonds being refunded, (xiv) the identity of any bank or trust company selected

by a Designated Official to serve as Refunding Escrow Agent pursuant to the authorization granted in

Bonds and previous issues secured by some or all of the Pledged Revenues, but with such changes as shall be approved by a Designated Official to reflect the terms of the Bonds proposed to be sold and the method of sale of such Bonds, is hereby in all respects, ratified, authorized and approved and shall be

"deemed final" for purposes of Rule 15c2-12, adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 ("**Rule 15c2-12**"), and the proposed use by the Underwriters or the Competitive Purchasers of a final Official Statement (in substantially the form (i) of the Preliminary Official

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

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pursuant to prior or subsequent authorization of the Board.

For the purpose of providing for the Refunding, each of the Designated Officials is hereby:

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

All actions of the officials or officers of the Board 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. *Repealer and Effective Date.* All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict. This Resolution shall be effective on the date of its adoption.

OUTSTANDING BONDS

1. \$53,030,000 Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2004D
2. \$29,155,000 Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2004E