

August 26, 2009

**RESOLUTION PROVIDING FOR THE ISSUE OF UNLIMITED TAX  
GENERAL OBLIGATION BONDS (DEDICATED REVENUES), SERIES 2009,  
OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN AN  
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$801,585,000,  
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 34 of the School Code of the State of Illinois, as

one school district (the "School District"), which is a body politic and corporate by the name of the

the City (including, but not limited to, tax increment financing), (v) school construction project or debt service grants to be paid to the Board pursuant to the School Construction Law of the State of Illinois or such successor or replacement act as may be enacted in the future, (vi) investment returns and earnings from funding obligations or

investments of the Board and the investment of any of the foregoing sources, (vii) rental income derived from Board property, and (viii) grants and other payments to be paid to the Board by the United States of America or any department, agency or instrumentality thereof (collectively, the **"Pledged Revenues"**); and

**WHEREAS**, pursuant to and in accordance with the Act and the 2009 Authorization, the Board

(iv) \$130,000,000 Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2009A

(collectively the "Prior 2008 Authorization Bonds"); and

WHEREAS, the Bonds authorized hereunder and the Prior 2008 Authorization Bonds shall not exceed \$1,900,000,000; and

WHEREAS, pursuant to Section 54F of the Internal Revenue Code of 1986, as amended (the "Code") and Internal Revenue Service Notice 2009-35 ("Notice 2009-35") the Board, as a "large local

educational agency," received an allocation of the national unified school construction bond limitation for calendar

~~“Borrowed Taxes”) for the purpose of providing funds in addition to the Billed Revenue and~~

investment earnings thereon to pay the principal of and interest on the Bonds; 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 Bonds will be further secured by the Funds, Accounts and Cash Accounts~~

Indenture, in an amount not less than 1.10 times annual debt service on the Bonds to be paid from governmental revenue sources and 1.25 times annual debt service on the Bonds to be paid from rental income derived from Board property or from certain grants and other payments to be paid to the Board by the United States of America or any department, agency or instrumentality thereof that do not constitute a governmental revenue source, which Audit the Board has heretofore accepted and approved and which Feasibility Report shall be accepted and approved on behalf of the Board by the Chief Financial Officer (as defined herein) prior to the issuance of any

Bonds issued by a revenue source not referenced in the Audit and

1 ~~Incorporation of Principles~~ The principles of this Resolution are hereby incorporated

into this text as if set out here in full

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

and on behalf of the Board the aggregate principal amount of not to exceed \$801,585,000 for the purpose  
of paying (i) all or portions of the costs of the District and of funding certain obligations of certain

approved by the Designated Official executing the same, with such execution to constitute conclusive evidence of such Designated Official's approval and this Board's approval of any changes or revisions therein from the respective forms of Fixed Rate Indenture and Variable Rate Indenture authorized hereby.

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 each 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 Compound Accreted Value (as hereinafter defined) of each Series of the Bonds, the Board hereby pledges the Pledged Revenues to the payment thereof, and the Board covenants and agrees to provide for, collect and pay such Pledged Revenues, together with investment earnings thereon and monies held in the funds and

(c) All or any portion of the Bonds may be issued as bonds payable in one payment on a fixed date (the "Capital Appreciation Bonds"). Any Bonds issued as Capital Appreciation Bonds shall

be dated the date of issuance thereof and shall also bear the date of authentication, shall be in fully registered form, shall be numbered as determined by the Trustee and shall be in denominations equal to



rates that are adjusted and reset from time to time (i) as may be necessary to cause such Bonds to be remarketable from time to time at a price equal to their principal amount or (ii) by means of an auction

~~or by means of an auction. The Variable Rate Bonds shall be dated each date as~~

shall be agreed upon by a Designated Official and shall be numbered as determined by the applicable

~~Trustee. All references herein to the amount of principal of any Variable Rate Bonds shall also include~~

Treasury and the Service.

The Bonds shall be dated as of a date not earlier than September 1, 2009, as determined by a Designated Official at the time of sale thereof. The principal of the Bonds shall become due and payable

made subject to extraordinary redemption prior to maturity, in whole or in part on any date, at such times  
and at such redemption prices and upon the occurrence of such conditions, all as shall be determined by

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 are outstanding, in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the School District the

following direct annual taxes:

FOR THE FOLLOING YEAR                      A TAX SUFFICIENT TO PRODUCE THE SUM OF

2010	56,000,000
2011	56,000,000
2012	56,000,000
2013	56,000,000
2014	56,000,000
2015	56,000,000

within the School District, in the years for which any of the Bonds are outstanding, a direct annual tax, 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 as to be levied pursuant to this~~

**Section 3(a)**, 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 (the **“County Clerks”**); and the County Clerks shall in and for each of the years required, ascertain the rate

~~percent required to produce the proceeds Pledged Taxes heretofore provided to be levied in each of~~

not be less than 97 percent of the aggregate original principal amount thereof, and (iv) that the compensation paid to the Purchasers in connection with the sale of any Variable Rate Bonds shall not exceed 3 percent of the principal amount thereof. The Chief Financial Officer is hereby authorized to execute and deliver on behalf of the Board a Purchase and Sale Agreement with respect to the sale of the Bonds of each Series which (i) in the case of a

Bond Purchase Agreement shall be in substantially the form used in previous financings of the Board and (ii) in the case of a Placement Agreement or a Competitive Sale Agreement shall contain terms and provisions no less favorable to the Board as those contained in a Bond Purchase Agreement. Any such Purchase

bond insurance policy to be desirable in connection with the sale of such Series of Bonds, or with respect to specified or designated maturities of such Series of Bonds. Each Designated Official is also authorized

The Credit Agreement may provide that alternative interest rates or provisions will apply during such times as the Bonds constitute Bank Bonds or the Board has outstanding repayment obligations to

the Credit Provider (the "Credit Provider Rate"), which Credit Provider Rate shall not exceed the



rate applicable from time to time to such Variable Rate Bonds, or in the case of QSCBs, the applicable tax credit rates, (vii) debt service schedules for the Bonds, together with determinable investment earnings from the investment of moneys held in the funds and accounts pursuant to the Indenture, demonstrating that the Pledged Revenues and said investment earnings and moneys held in the funds

service coverage described in **Section 2(b)** hereof, (viii) the terms and provisions for the conversion of the Compound Accrued Value of any Convertible Bonds issued hereunder into Current Interest Bonds, (ix) the application of the proceeds of such Bonds for the purposes and within the limitations set forth in paragraph (a) of this Section. (x) if a bond insurance policy is obtained as authorized herein, the identity

levied may be determined by reference to any projections of debt service on such Variable Rate Bonds provided to the Board at the time of sale of such Bonds. No such reduction in the amounts levied in ~~Section 3(a) hereof need be made and no certificate of tax abatement be filed as described in the~~

preceding sentence until either or both of the Designated Officials have determined that any amount so levied in **Section 3(a)** hereof will not be needed to secure the Bonds being sold at that time or any Series of Bonds to be sold in the future. Any certificate of abatement delivered pursuant to this paragraph shall refer to the amount of taxes levied pursuant to **Section 3(a)** hereof, shall indicate the amount of reduction in the amount of taxes levied by the Board resulting from the sale of such Bonds, which reduced amount is to be abated from such taxes, and shall further indicate the remainder of such taxes which is to be ~~extended for collection by the County Clerk. Each of the Designated Officials is also authorized to file in~~

addition, the Designated Officials are hereby authorized to prepare a Notice of Sale for distribution to potential bidders in connection with a public, competitive sale of a Series of the Bonds and to take all actions necessary to conduct any such sale.

(g) The proceeds from the sale of each Series of the Bonds shall be applied to the payment of (i) all or a portion of the costs of the Project and of refunding certain obligations of or issued on behalf

of the Board, (ii) such interest to become due, either on such Series of Bonds or on another Series of Bonds issued pursuant to this Resolution, for such period not to exceed the greater of 2 years or a period ending 9 months after the estimated date of completion of the acquisition and construction of the Project

provided in the Bonds for the payment of interest. The stated amounts represent the amount of the Bonds

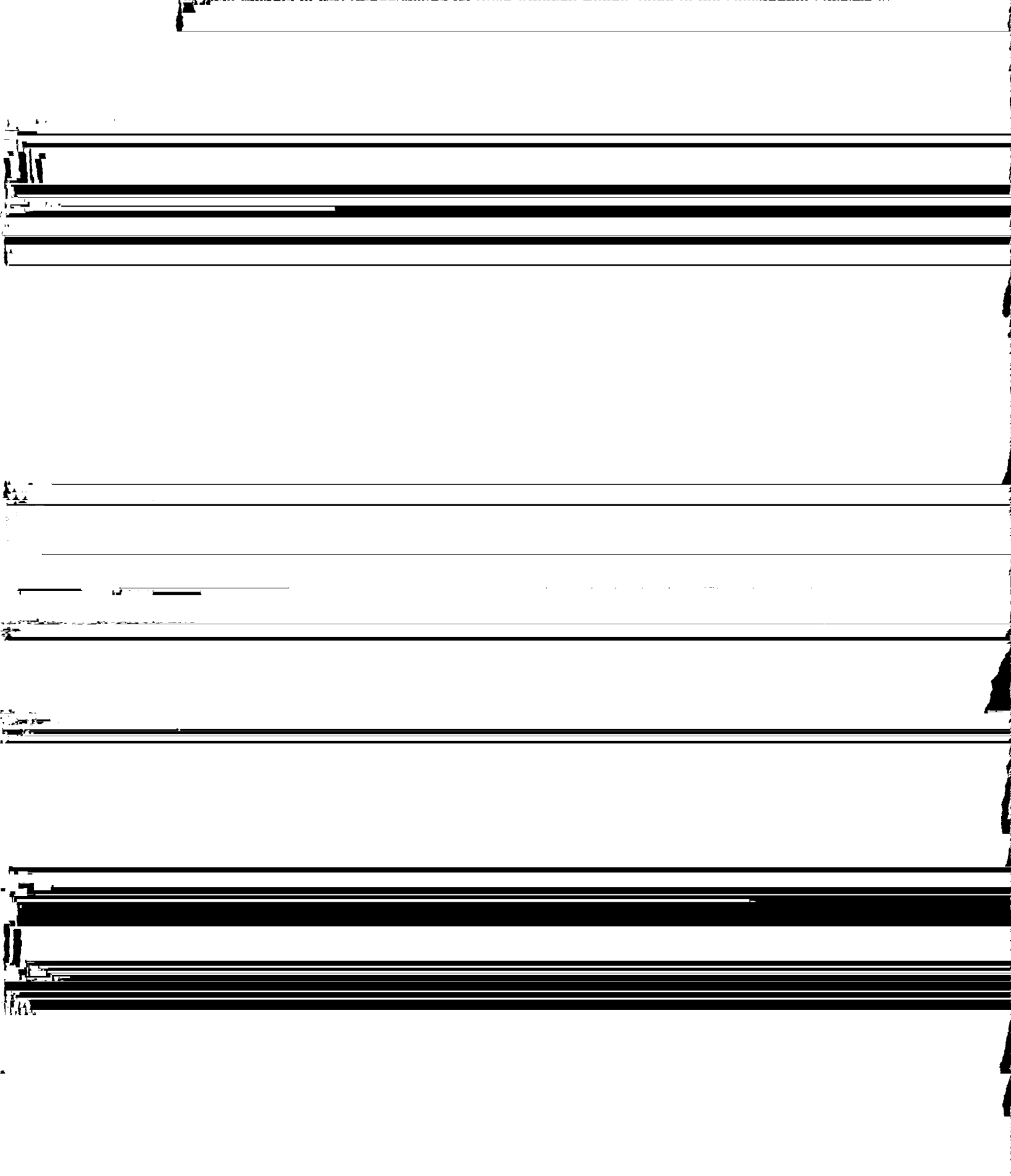
agreements authorized hereunder shall not exceed the principal amount of the Bonds issued hereunder

Board with such exceptions as shall be approved by the Designated Official executing the

with such

with such exception to constitute conclusive evidence of such official's approval and this Board's

(b) With respect to any Bonds issued as Build America Bonds, each of the Designated Officials is



8. Further, Each of the Designated Officials, officials or officers of the Board are

hereby authorized to execute and deliver such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Bonds, including, but not limited to, the exercise following the delivery date of the Bonds of any power or authority delegated to such official

under this Resolution with respect to the Bonds upon original issuance, but subject to any limitations on