

May 24, 2017

**RESOLUTION PROVIDING FOR THE ISSUE OF ONE OR MORE
SERIES OF REFUNDING BONDS OF
THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$215,000,000**

WHEREAS, pursuant to the provisions of Article 34 of the School Code, 105 Illinois Compiled Statutes 5 (the "**School Code**"), the City of Chicago (the "**City**"), 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 "Board of Education of the City of Chicago" (the "**Board**"); and

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

WHEREAS the School Board has heretofore authorized and issued various series of

general obligation alternate bonds that are outstanding (the "**Outstanding Bonds**"); and

WHEREAS, the principal of and interest on the Outstanding Bonds is scheduled to become
~~due and payable on various future payment dates and the Board does hereby determine that it is~~

<u>Bond Payment Year</u>	<u>Annual Amount</u>
2017	\$27,000,000
2018 to 2037	50,000,000
2038 to 2042	51,000,000
2043	135,000,000
2044	138,000,000
2045 and 2046	189,000,000

WHEREAS, pursuant to and in accordance with the Act and the 2016 Authorization, the Board caused to be published on August 26, 2016 in *The Chicago Sun-Times*, a newspaper of

Authorization and a notice that the Alternate Bonds are subject to a “back-door referendum” under the Act; and

WHEREAS, no petition asking that the issuance of the 2016 Authorization Bonds be submitted to referendum has ever been filed with the Secretary of the Board (the “Secretary”)

WHEREAS, the Bonds will be payable from (i) the State Aid Payments (the “**Pledged Revenues**”) and (ii) the ad valorem taxes levied or to be levied against all of the taxable property in the School District without limitation as to rate or amount pursuant to Section 3 of this Resolution (the “**Pledged Debt Service Taxes**”), for the purpose of providing funds in addition to the Pledged Revenues to pay the principal of and interest on the Bonds; and

WHEREAS, the maximum aggregate principal amount of Bonds authorized to be issued under this Resolution is \$215,000,000; and

WHEREAS, the Bonds may be issued from time to time in one or more series (each a “**Series**”); 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 Sub-Accounts

Board (the “**Competitive Purchasers**” and, together with the Underwriters and the Placement

Competitive Purchasers and the Board (each, a “**Competitive Sale Agreement**” and, together with the Bond Purchase Agreement and the Placement Agreement, a “**Purchase and Sale Agreement**”); and

WHEREAS, it is necessary for the Board to authorize the sale and issuance of the Bonds and to approve and to authorize and direct the sale of the Bonds pursuant to one or more of the

Resolution as shall be approved by the Designated Official executing the same, with such execution to constitute conclusive evidence of such Designated Official's approval and this Bond's approval of amendments or revisions therein from the form of 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.

Current Interest Bonds, shall be in fully registered form, 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 the provisions and limitations of this Resolution relating to Capital

(f) All or any portion of the Bonds may be issued as bonds bearing interest at variable rates ("**Variable Rate Bonds**") adjustable and payable at any time. The interest on Variable Rate Bonds shall be payable on such dates as determined in the applicable Indenture. The maximum rate on any Variable Rate Bond shall not exceed the maximum rate permitted by law for obligations of the Board, but in no event more than 15 percent per annum. The method of determining the interest rate to be borne from time to time by Variable Rate Bonds shall be determined by a Designated Official at the time of the sale of the Variable Rate Bonds and specified in the applicable Indenture if Variable Rate Bonds are to be issued, the form of Indenture shall be modified to incorporate terms and provisions previously included in indentures securing variable rate bonds of the Board.

(g) For ~~any~~ outstanding bonds or other obligations refunded pursuant to and in

accordance with Section 15(e) of the Act, the determination that the term of such refunding

FOR THE LEVY YEAR

A TAX SUFFICIENT TO PRODUCE THE SUM OF:

2017	\$ 45,000,000
2018	45,000,000
2019	45,000,000
2020	45,000,000
2021	45,000,000

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2023	45,000,000
2024	45,000,000
2025	45,000,000
2026	45,000,000
2027	45,000,000
2028	45,000,000
2029	45,000,000
2030	45,000,000
2031	45,000,000
2032	45,000,000
2033	45,000,000
2034	45,000,000
2035	45,000,000
2036	45,000,000
2037	46,000,000
2038	46,000,000
2039	46,000,000
2040	46,000,000
2041	46,000,000
2042	75,000,000
2043	75,000,000

2044	130,000,000
2045	130,000,000

(the taxes levied pursuant to this Section 3(a), being the **“Pledged Debt Service Taxes”**).

(b) After this Resolution becomes effective and a Series of Bonds is sold, a copy of this Resolution, certified by the Secretary, 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 aggregate Pledged Debt Service 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 years in and by the Board for general purposes of the Board and in

Board shall direct the abatement of the Pledged Debt Service Taxes in whole or in part.

such Series of Bonds, or with respect to specified or designated maturities of such Series of

Bonds. Each Designated Official is also authorized to enter into such agreements and make such covenants with any Bond Insurer that such Designated Official deems necessary and that are not inconsistent with the terms and provisions of this Resolution and to pay upfront or annual fees to

the Bond Insurer in connection therewith.

(c) In lieu of, or in addition to, the deposit of proceeds of the Bonds of any Series or other funds into a debt service reserve fund as authorized in paragraph (g) of this Section, each of the Designated Officials is hereby authorized to obtain a debt reserve credit facility from such

recognized provider as such Designated Official shall determine (the "Debt Reserve Credit

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, any one or more of the Designated Officials shall file in the office of the Secretary 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 and Convertible Bonds, respectively, (iv) in the case of Bonds sold as Capital Appreciation Bonds and Convertible Bonds, (A) the Original Principal Amounts of and 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 Bonds on each semiannual compounding date. (v) the interest rates on the Current Interest Bonds sold

(vi) debt service schedules for the Bonds, demonstrating that the Pledged Revenues are expected to be in an amount sufficient to provide the debt service coverage described in Section 2(b)

3(a) hereof, shall indicate the amount of reduction in the amount of Pledged Debt Service Taxes levied by the Board resulting from the sale of such Bonds, which reduced amount is to be abated from such Pledged Debt Service Taxes, and shall further indicate the remainder of such Pledged Debt Service Taxes which is to be extended for collection by the County Clerks. Each of the Designated Officials is also authorized to file in the respective offices of the County Clerks certificates of tax abatement that reflect the refunding of any obligations of the Board.

(f) The distribution of a Preliminary Official Statement, Private Placement Memorandum, Limited Offering Memorandum or Notice of Public Sale relating to each Series of

the Bonds (the "**Disclosure Document**") in substantially the respective forms delivered in connection with previous issues of Bonds, 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

17-0524-RS3

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Notwithstanding any other provision of this Resolution or any Indenture, the sole remedies for any failure by the Board to comply with a Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order to

cause the Board to comply with its obligations under the applicable Continuing Disclosure Undertaking. Each Continuing Disclosure Undertaking shall be in substantially the form used in previous financings of the Board, but with such changes therein as shall be approved by the Designated Official executing the same, with such execution to constitute conclusive evidence of such official's approval and this Board's approval of any changes or revisions therein from such form of Continuing Disclosure Undertaking.

Section 9. Further Acts. 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