

**RESOLUTION PROVIDING FOR THE ISSUE OF ONE OR MORE SERIES OF UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$385,000,000 FOR THE PURPOSE OF PAYING THE COST OF REFUNDING OUTSTANDING BONDS OF SAID BOARD OF EDUCATION**

WHEREAS, pursuant to the provisions of Article 34 of the School Code, 105 Illinois Compiled Statutes 5 (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 "*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, pursuant to the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 250 (the "**Debt Reform Act**"), the School Board is authorized to issue general obligation bonds of the

WHEREAS, \$39,700,000 principal amount of the Series 2011C-2 Bonds are outstanding; \$124,320,000 principal amount of the Series 2013A-2 Bonds are outstanding; \$80,300,000 principal amount of the Series 2015A Bonds are outstanding and \$79,800,000 principal amount of the Series 2015G Bonds are outstanding; and

WHEREAS, pursuant to this Resolution the Board determines to authorize the refunding of the Outstanding Bonds and the restructuring of the debt service payable on the Outstanding Bonds (the "**Refunding**"); and

WHEREAS, Section 15(e) of the Debt Reform Act provides that Alternate Bonds (the "**Statutory Refunding Bonds**") may be issued to refund or advance refund alternate bonds without meeting any of the conditions set forth in Section 15 of the Debt Reform Act, except that the term of the refunding bonds shall not be longer than the term of the refunded bonds and that the debt service payable in any year on the refunding bonds shall not exceed the debt service payable in such year on the refunded bonds; and

WHEREAS, the Series 2011C-2 Bonds were authorized pursuant to Resolution No. 09-0722-RS11 (the "**2009 Authorization**") adopted by the Board on July 22, 2009 (the "**2009 Authorization**") and Resolution No. 11-1026-RS1 adopted by the Board on October 26, 2011 (the "**Series 2011C-2 Bond**");

Resolution No. 06-0628-RS78 adopted by the Board on June 28, 2006 (the "**2006 Authorization**") which pledge is on a parity with other Alternate Bonds issued or secured pursuant to the 2006 Authorization; and

WHEREAS, pursuant to the Series 2013A-2 Bond Resolution, the principal installments of the Series 2013A-2 Bonds allocable to the sinking fund payments due in the years 2032 to 2035, are payable from and secured by a pledge of and lien on the 2009 Pledged Revenues on a parity with other Alternate Bonds issued or secured pursuant to the 2009 Authorization; and

WHEREAS, the Series 2015A Bonds were authorized pursuant to Resolution No. 15-0225-RS4 adopted by the Board on February 25, 2015 (the "**2015 Bond Resolution**"); and

WHEREAS, pursuant to the 2015 Bond Resolution, the Series 2015A Bonds are payable from and secured by a pledge of and lien on not more than \$175,000,000 of 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 act as may be enacted in the future (the "**1998 Pledged Revenues**") as provided for pursuant to Resolution No.

98-0225-RS6 adopted by the Board on February 25, 1998 (the "**1998 Authorization**") which pledge is on a parity with other Alternate Bonds issued or secured pursuant to the 1998 Authorization; and

the issuance of Alternate Bonds in an aggregate principal amount not to exceed \$045,000,000 (the "2016

Authorization Bonds"); and

WHEREAS, the Alternate Bonds issued and to be issued pursuant to the 2016 Authorization may be payable from any or all of the following sources (the "2016 Authorization Bonded Revenue"): (i)

the State Aid payments to be made to the Board in any year pursuant to Article 18 of the School Code, or

investment of any of the foregoing sources (iii) 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; and

WHEREAS, pursuant to and in accordance with the Debt Reform Act and the 2016 Authorization,

the Board caused to be published on August 26, 2016 in *The Chicago Sun Times*, a newspaper of

WHEREAS, pursuant to the 2016 Authorization the Board has issued \$215,000,000 principal

governmental revenue source as described above which determination will be supported by the audit of

the School District for the year ended June 30, 2010 (the "Audit") will be supported by the report of a

Agreement between the Placement Purchasers and the Board or other similar agreement for the sale and purchase of the Bonds (each, a "**Placement Agreement**") or (iii) following distribution of a Notice of Sale and a competitive bidding process, to a bidder or syndicate submitting an offer to purchase one or more Series of the Bonds determined by the Senior Vice President of Finance to be in the best financial interest

of the Board (the "**Competitive Purchasers**" and, together with the Underwriters and the Placement Purchasers being referred to herein as the "**Purchasers**") pursuant to an agreement between the



and with such additions, modifications or revisions as shall be determined to be necessary by 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 each Series of the Bonds as described in the notification of sale of such Bonds delivered by a Designated Official pursuant to **Section 4(e)** of this Resolution and all provisions

relative to the purchase, disposition, 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.

Revenues to the payment of such Series. In accordance with Section 15 of the Debt Reform Act, the

~~Board consents and agrees to provide for collect and apply such 2016 Authorization Pledged~~

Revenues, to the payment of the 2016 Authorization Refunding Bonds of such Series and the provision of an additional .10 times annual debt service in the case of 2016 Authorization Refunding Bonds to be paid from a governmental revenue source or an additional .25 times annual debt service in the case of 2016 Authorization Refunding Bonds to be paid from 2016 Authorization Pledged Revenues that do not constitute a governmental revenue source. The determination of the sufficiency of the 2016 Authorization Pledged Revenues pledged pursuant to this paragraph (c) is supported by the Audit or the Feasibility Report, as applicable, and acceptance of the Audit by the Board or of the Feasibility Report by the Senior

original principal amount representing Compound Accreted Value (as hereinafter defined) at maturity (the

"Maturity Amount") of \$5,000 or any integral multiple thereof. As used herein, the "Compound

**Accreted Value**" of a Capital Appreciation Bond on any date of determination shall be an amount equal

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Rate Indenture executed and delivered by a Designated Official pursuant to which such Variable Rate Bonds are issued.

The Bond shall be dated as of a date not earlier than September 4, 2017, as determined by a

fixed for redemption, as determined by a Designated Official at the time of the sale thereof; provided, that such Bonds shall mature not later than the respective date set forth in Section 2(a) of this Resolution

Any Variable Rate Bonds may be made subject to optional or mandatory tender for purchase by the owners thereof at such times and at such prices (to be expressed as a percentage of the principal amount of such Bonds being tendered for purchase) as shall be determined by a Designated Official at

the time of sale of such Variable Rate Bonds and specified in the applicable Variable Rate Indenture. In connection with the reacquiring of new Variable Rate Bonds so tendered for purchase under the terms

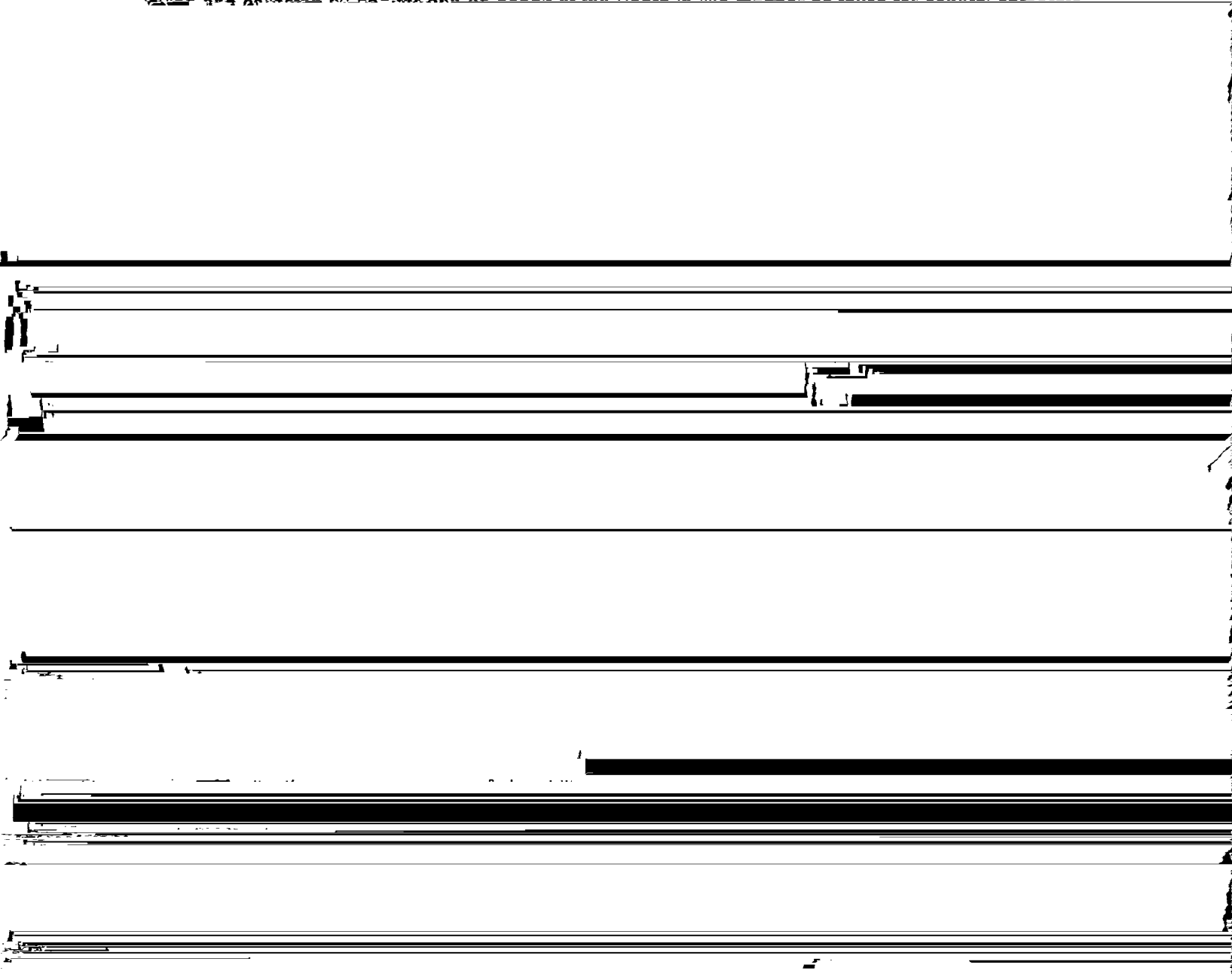
are outstanding, a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the School District the following direct annual taxes:

FOR THE LEVY YEAR	PROPOSED LEVY WITHIN RESOLUTION
2017	\$ 29,171,000
2018	39,171,000
2019	39,517,000
2020	39,517,000
2021	39,517,000
2022	46,517,000
2023	46,517,000
2024	46,517,000
2025	46,517,000
2026	46,517,000
2027	46,517,000
2028	46,517,000
2029	46,517,000
2030	46,517,000
2031	46,517,000
2032	46,517,000
2033	46,517,000
2034	46,517,000
2035	46,517,000

2038	46,517,000
2039	46,517,000
2040	46,517,000
2041	46,517,000
2042	46,517,000
2043	111,200,000
2044	111,200,000
2045	111,200,000
2046	111,200,000

provided, that in connection with the issuance of Variable Rate Bonds, in furtherance of the general obligation full faith and credit promise of the Board to pay the principal and redemption price of and interest on the Bonds, the Board will take all actions necessary to levy 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, including any direct annual tax required to be levied in excess of that levied in this Resolution for

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 year in and by the Board for general corporate purposes of the Board; and in said year the Pledged Debt Service Taxes shall be levied and collected by and for and on behalf of the Board in like manner as taxes for general corporate





the form used in previous and similar financings of the Board and (ii) in the case of a Competitive Sale Agreement shall contain terms and provisions no less favorable to the Board as those contained in a

~~Board Purchase Agreement or Dividend Agreement~~ ~~Amended Purchase and Sale Agreement shall~~

(c) In lieu of, or in addition to, the deposit of proceeds of the Bonds of any Series or other

**Provider Rate**). The Credit Agreement may further provide that to the extent the Credit Provider Rate ~~determined at any time pursuant to the Credit Agreement exceeds the Maximum Credit Provider Rate~~

such excess may accrue at the then-applicable Credit Provider Rate (but in no event may such excess accrue at a rate in excess of 25 percent per annum) and be added to the Credit Provider Rate at such time or times thereafter as the Credit Provider Rate shall be less than the Maximum Credit Provider Rate; provided, that at no time shall the Credit Provider Rate per annum exceed the Maximum Credit Provider Rate.

(e) Subsequent to the sale of the Bonds of any Series, any 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 type of Bonds (Statutory Refunding or 2016 Authorization Refunding), aggregate original principal amount of, maturity schedule, redemption provisions and interest rates for the Bonds of each Series 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 Accrued Value of the Bonds of each Series, (iii) the principal amount~~

application of the proceeds of such Bonds for the purposes and within the limitations set forth in paragraph (g) of this Section, (ix) if a bond insurance policy is obtained as authorized herein, the identity

of the Provider issuing the bond insurance policy and the premium and any fees associated therewith

thereto, (x) if a debt reserve credit facility is obtained as authorized herein, the identity of the Debt Reserve Credit Facility Provider issuing the debt reserve credit facility, (xi) if a Credit Facility is obtained as authorized herein, the identity of the Credit Provider Issuing the Credit Facility, and a copy of the Credit Agreement between the Board and such Credit Provider shall be attached to said notification of sale

(vii) the identity of the Trustee designated pursuant to Section 2 of this Resolution with respect to

the Bonds of such Series, (viii) the applicable redemption date or dates of the Outstanding Bonds being

Section 3(a) of this Resolution, 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 Clerks. Each of the Designated Officials is also authorized to file in the respective offices of the County

Clerks certificates of tax abatement reflecting the refunding of the Outstanding Bonds.

(6) The distribution of a Declaration, Official Statement, Private Placement Memorandum or

Financial Officer, and (iii) the payment of the expenses related to the issuance of such Bonds, including, without limitation, fees to be paid to Bond Insurers or Credit Providers, and such proceeds shall be applied as provided in the applicable Indenture. In addition, proceeds from the sale of a Series of the

Bonds in the amount of not to exceed 10% of the principal amount thereof may be deposited into a debt service reserve fund to be held under the applicable Indenture upon the direction of the Senior Vice President of Finance or the Chief Financial Officer if it is determined that the creation of such debt service reserve fund is necessary and required in connection with the sale of such Bonds and such proceeds shall also be applied as provided in the applicable Indenture. All of such proceeds are hereby appropriated for the purposes specified in this paragraph.

(c) The Senior Vice President of Finance and the Chief Financial Officer shall

*Section 5. Pledged Debt Service Taxes Escrow Direction.*

necessary and desirable to provide additional security for any Bonds, each of the Designated Officials is

hereby authorized to execute and deliver on behalf of the Board, and the Secretary is authorized to attest, a form of escrow or other similar agreement with a bank, trust company or national banking association having the same qualifications as those set forth in **Section 2(a)** of this Resolution for a Trustee, reflecting the issuance of the Bonds and such segregation of Pledged Revenues and the segregation of Pledged Debt Service Taxes as the Designated Official executing such agreement shall deem appropriate.

*Section 6. Pledged Taxes Escrow Direction.* Each of the Designated Officials is hereby authorized, pursuant to authority contained in Section 20-90 of the Property Tax Code of the State of

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