

DECLARATION PROVIDING FOR THE ISSUE OF ONE OR MORE SERIES OF

UNLIMITED TAX GENERAL OBLIGATION BONDS OF THE BOARD OF EDUCATION
OF THE CITY OF CHICAGO IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO

EXCEED \$280,000,000 FOR THE PURPOSE OF PAYING THE COST OF CAPITAL
IMPROVEMENTS

WHEREAS, pursuant to the provisions of Article 24 of the School Code, 105 Illinois Compiled

replacement act as may be enacted in the future, in annual amounts, not more than the following

amounts to be available for the punctual payment of the principal and interest due on bonds and the

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

punctual provision of debt service coverage for such bonds in the following bond payment years:

<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

(ii) amounts allocated and paid to the Board from the Personal Property Tax Replacement Fund of the

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

notice that the 2016 Authorization Bonds are subject to a "*back-door referendum*" under the Debt Reform 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**") and the 2016 Authorization Bonds have been authorized to be issued; and

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

30 Illinois Compiled Statutes 352, the Board called a public hearing (the "**Hearing**") for August 24, 2016, concerning the intent of the Board to sell up to \$945,000,000 of the 2016 Authorization Bonds from time to time in one or more series; and

WHEREAS, notice of the Hearing was given by publication on August 16, 2016 in the *Sun-Times* and by posting a copy of the notice at least forty-eight (48) hours before the Hearing at the principal office of the Board; and

WHEREAS, the Hearing was held on August 24, 2016 and at the Hearing, the Board explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

Whereas certain provisions of Article 18 of the School Code relating to State Aid Payments have

been amended or replaced by provisions of Public Act 100-465; and

Whereas the Bonds may be issued in one or more series (each a "Series"); and

Whereas the Pledged Revenues constitute a "governmental revenue source" pursuant to the Debt Reform Act

and certain of the Pledged Revenues constitute a "governmental revenue source" pursuant to the Debt Reform Act; and

Whereas the Board has determined that the Pledged Revenues will provide in each year an

WHEREAS, the Board may elect to pay the debt service on the Bonds from time to time from other sources and in accordance with Section 13 of the Debt Reform Act, the Board may elect to pledge additional revenue of the Board, which may be deposited into one or more special funds of the Board, to

pay the debt service on the Bonds; and

WHEREAS, the Bonds of a Series may be sold (i) to an underwriter or a group of underwriters (the "**Underwriters**") to be designated by the Senior Vice President of Finance with respect to one or more Series of the Bonds pursuant to a separate Contract of Purchase (each, a "**Bond Purchase Agreement**") between the Underwriters and the Board, (ii) in a private placement with an individual investor or group of investors to be designated by the Senior Vice President of Finance (the "**Placement**

Section 2. 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 \$280,000,000 for the purposes of paying (i) costs of the Project, (ii) capitalized interest on the Bonds, and (iii) costs of issuance of the Bonds, including the cost of bond insurance or other credit enhancement. The Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$280,000,000. The Bonds are 2016 Authorization Bonds and may be issued from time to time, as Alternate Bonds pursuant to the Debt Reform Act, the 2016 Authorization and this Resolution, in one or more Series, in said aggregate principal amount or such lesser aggregate principal amounts, as may be determined by either (i) the President of

the School Board (the "President") or (ii) the Vice President of the School Board (the "Vice President")

or any Member of the Board who is authorized to execute documents or take action in lieu of the President, (iii) the Chief Executive Officer, (iv) the Senior Vice President of Finance or (v) the Chief

Indenture to be in substantially the respective form executed and delivered in connection with previous
issues of Fixed Rate Bonds and Variable Rate Bonds and previous issues secured by some or all of the

Pledged Revenues, but with such changes therein as shall be within the authorizations granted by this 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 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 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

Revenues to the payment of the principal of, redemption price of, interest on and the Compound Accreted

Value of each Series of the Bonds and the Indenture pursuant to which such Series of Bonds is issued

[REDACTED]

[REDACTED]

and the notification of sale of such Series of the Bonds delivered by the Designated Officials pursuant to

Section 4(c) hereof shall identify the specific Designated Revenue allocated to such Series

[REDACTED]

[REDACTED]

[REDACTED]

form of Current Interest Bonds, such Convertible Bonds shall be subject to all of the provisions and limitations of this Resolution relating to Current Interest Bonds. In connection with the issuance and sale

of any Convertible Bonds, the terms and provisions relating to the conversion of the Convertible Bonds

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.

pay. Series shall be specified in the applicable Variable Rate Indenture. Each Variable Rate Bond shall

bears interest at such rates payable on such dates as shall be determined by a Designated Official at the

Section 2 Tax Levy Pledged Debt Service Taxes (c) For the purpose of providing funds

in addition to the Pledged Revenues to pay the principal of and interest on the Bonds, there is hereby levied 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 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 A TAX SUFFICIENT TO PRODUCE THE SUM OF:

2019	\$30,000,000
2020	30,000,000
2021	30,000,000
2022	30,000,000
2023	30,000,000

(b) After this Resolution becomes effective and a Series of Bonds is sold, a copy of this Resolution 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 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

levied and collected by and for and on behalf of the Board in like manner as taxes for general corporate purposes of the Board for said years are levied and collected, and in addition to and in excess of all other

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 or a Placement Agreement shall be in substantially

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 Bond Purchase Agreement or Placement Agreement. Any such Purchase and Sale Agreement shall contain such final terms as shall be approved by the person executing such document, such approval to

be evidenced by such person's execution thereof, and the Senior Vice President of Finance and the Chief Financial Officer are each also individually authorized to do all things necessary and essential to effectuate the provisions of such Purchase and Sale Agreement, as executed, including the execution of any documents and certificates incidental thereto or necessary to carry out the provisions thereof. The

provisions of this Resolution and to pay upfront or annual fees to the Bond Insurer in connection therewith.

[REDACTED] 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 Facility Provider") if

such Designated Official determines such debt reserve credit facility to be desirable in providing for the

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

maximum permitted by law, but in no event more than 15 percent per annum (the "Maximum Credit
Provider Rate"). The Credit Agreement may further provide that to the extent the Credit Provider Rate

the Compound Annual Yield of any Convertible Bonds issued hereunder into Current Interest Bonds

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

of the Bond Insurer issuing the bond insurance policy and the premium and any fees required to be paid 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

shall further indicate the remainder of such taxes which is to be extended for collection by the County Clerks.

(f) The distribution of a Preliminary Official Statement, Private Placement 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 Fixed Rate Bonds and Variable Rate 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

~~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~~

~~Service Taxes. The Designated Officials are authorized to file a certified copy of this Resolution with~~

each of the County Collectors.

~~Section 7. Tax Exemption and Non-Arbitrage. Each of the Designated Officials is hereby~~

under this Resolution with respect to the Bonds upon original issuance, but subject to any limitations on or restrictions of such power or authority as herein set forth

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.

Section 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.

Section 11. Effect of Conflicting Provisions. If any provision of this Resolution is in conflict