

RESOLUTION AMENDING AND RESTATING RESOLUTION 01-0926-RS12. RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION (ALTERNATE) BONDS OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$500,000,000, PURSUANT TO THE SCHOOL CODE AND THE LOCAL GOVERNMENT DEBT REFORM ACT

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, Illinois 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", which School District is governed by the Chicago Board of Education (the "Board"); and

WHEREAS, the Board has determined that it is advisable, necessary and in its best interests and that of 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 Board's Five-Year Capital Improvement Program, as amended, from time to time, approved by the Board and on file in the Office of the Secretary of the Board, including the estimates of cost identified therein; and

WHEREAS, the cost of the Project, the cost of funding obligations or purchasing related investments of the Board (the "Funding") and the cost of refunding obligations of or issued on behalf of the Board (the "Refunding"), including legal, financial, bond discount, capitalized interest, printing and publication costs, reserves and other expenses, is estimated to be not less than \$500,000,000, and sufficient funds are not on hand and lawfully available to pay such costs; and

WHEREAS, such costs are expected to be paid for from available funds of the Board and from the proceeds of alternate bonds authorized to be issued at this time pursuant to the Local Government Debt Reform Act (the "Act"); and

WHEREAS, it is necessary and in the best interests of the Board and the residents of the School District that the Project, the Funding and the Refunding be completed; and in order to raise the funds required for such purpose, it will be necessary for the Board to borrow an amount not to exceed \$500,000,000 and, in evidence thereof, to issue alternate bonds, being general obligation bonds payable from any and all of the following sources: (i) amounts allocated and paid to the Board from the Personal Property Tax Replacement Fund of the State of Illinois pursuant to Section 12 of the State Revenue Sharing Act of the State of Illinois, as amended, or from such successor or replacement fund or act as may be enacted in the future, (ii) exclusive of any prior existing amounts of General State Aid pledged pursuant to a prior authorization, not more than \$75,000,000 of the General State Aid payments to be made to the Board in any year pursuant to Article 18 of the School Code, as amended, or such successor or replacement fund or act as may be enacted in the future, (iii) school construction project or debt service grants to be paid to the Board pursuant to the School Construction Law of the State of Illinois, as amended, or such successor or replacement act as may be enacted in the future, (iv) those amounts paid to the Board pursuant to an Intergovernmental Agreement, dated October 1, 1997, by and between the Board and the City of Chicago, and (v) investment returns and earnings from the Funding, and (vi) any monies lawfully available to and validly accepted by the Board pursuant to any Intergovernmental Agreement by and between the Board and the City of Chicago, which alternate bonds shall be issued from time to time by the Board in an aggregate principal amount not to exceed \$500,000,000, all in accordance with the School Code and the Act; and

WHEREAS, in the event that the revenue from the above-cited sources is not available to pay principal and/or interest on any of the Bonds, issued pursuant to the Resolution, in any given year or years, the Board, pursuant to the Local Government Debt Reform Act of the State of

Illinois, then will have the authority to levy ad valorem taxes against all of the taxable property in the school district governed by the Board for the purpose of providing funds sufficient to pay all or any portion of the principal and/or interest on said Bonds then due and owing; and

WHEREAS, pursuant to and in accordance with the provisions of Section 5(c) of the Act, if no petition meeting the requirements of applicable law is filed during the petition period, then the Board is authorized to "adopt additional ordinances or proceedings supplementing or amending the authorizing ordinance so long as the maximum amount of the bonds as set forth in the authorizing ordinance is not exceeded and there is no material change in the project or purpose described in the authorizing ordinance. Such additional ordinances or proceedings shall in all instances become effective immediately without publication or posting or any further act or requirement. The authorizing ordinance, together with such additional ordinance or proceedings, shall constitute complete authority for the issuance of such bonds under applicable law."; and

WHEREAS, the Board has determined that this amendment to the authorizing ordinance neither alters the maximum amount of the bonds set forth in the original authorizing ordinance nor constitutes a material change to the project or purpose described in the original authorizing ordinance but amends the original authorizing ordinance by identifying an additional source of payment for bonds to be issued pursuant to and in accordance with the authorizing ordinance; and

WHEREAS, the Board (i) adopted the original authorizing resolution on September 26, 2001; (ii) undertook the required publication, as set forth in the Act, on September 29, 2001 relative to its adoption of the original authorizing resolution; and (iii) received no petition meeting the requirements of applicable law within the statutorily defined petition period; and

WHEREAS, pursuant to and in accordance with the provisions of Section 15 of the Act, the Board is authorized to issue alternate bonds in an aggregate principal amount not to exceed \$500,000,000 for the purpose of providing funds to pay the cost of the Project, the Funding and the Refunding.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the City of Chicago as follows:

1. **Incorporation of Preambles.** The Board hereby finds that all of the recitals contained in this resolution are full, true and correct and does hereby incorporate them into this resolution by this reference.

2. **Determination to Issue Bonds.** It is necessary and in the best interests of the Board and the residents of the School District to complete the Project, the Funding and the Refunding; and for the purpose of completing the Project, the Funding and the Refunding, general obligation (alternate) bonds of the Board are hereby authorized to be issued and sold by the Board from time to time in an aggregate principal amount not to exceed \$500,000,000 (the "Bonds").

3. **Publication.** This resolution, together with a notice in the statutory form, shall be published in the *Chicago Sun-Times*, the same being a newspaper published and of general circulation in the School District, and if no petition signed by 114,133 electors, the same being equal to 7.5% of the registered voters in the School District, asking that the issuance of the Bonds be submitted to referendum, is filed with the Secretary of the Board within thirty (30) days after the date of publication of this resolution and said notice, then the Bonds shall be authorized to be issued.

4. **Additional Resolutions.** If no petition meeting the requirements of applicable law is filed during the petition period hereinabove referred to, then the Board may, from time to time, in the future, adopt additional resolutions or proceedings supplementing or amending this

resolution providing for the issuance and sale of the Bonds and prescribing all of the details of the Bonds, so long as the maximum amount of the Bonds as set forth in this resolution is not exceed and no material change in the Project, the Funding, the Refunding or the purposes described herein occurs. Such additional resolutions or proceedings shall in all instances become effective immediately upon their adoption by the Board, without publication or posting or any further act or requirement. This resolution, together with such additional resolutions or proceedings, shall constitute complete authority for the issuance of the Bonds under applicable law.

5. Severability. If any section, paragraph, clause or provision of this resolution shall be held invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the other provisions of this resolution.

6. Repealer. All resolutions or orders, or parts thereof, in conflict with the provisions of this resolution are to the extent of such conflict hereby repealed.

7. Effectiveness. This resolution shall take effect immediately upon its adoption. Pursuant to Section 350/17.5 of the Act, no bonds shall be issued pursuant to this resolution after the date which is 3 years after the end of the petition period set forth in Section 3 of this resolution.

8. Amendatory Changes. Consistent with paragraph 4 above, the changes made by this amendatory resolution shall take effect immediately upon its adoption, and all original provisions are hereby restated and affirmed.