

October 26, 2016

**RESOLUTION PROVIDING FOR THE ISSUE OF UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS (DEDICATED REVENUES), OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$160,000,000, FOR THE PURPOSE OF PAYING THE COST OF REFUNDING CERTAIN OUTSTANDING BONDS OF SAID BOARD OF EDUCATION**

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, 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 determined that it is advisable, necessary and in the best interests of the Board and 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 "**Prior Project**"), as heretofore approved and amended by the Board; and

WHEREAS, for the purpose, among others, of providing funds to pay a portion of the cost of the Prior Project and the cost of refunding certain obligations of or issued on behalf of the Board, including bonds issued for the aforesaid purposes, and in accordance with the provisions of the Local Government Debt Reform Act of the State of Illinois, as amended (the "**Debt Reform Act**"), the Board has heretofore authorized and issued several series of alternate bonds, being general obligation bonds payable from any revenue source as provided by the Debt Reform Act ("**Alternate Bonds**"), including the Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2011C-1, of the Board (the "**Series 2011C-1 Bonds**") and the Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2013A-1 of the Board (the "**Series 2013A-1 Bonds**"); and

WHEREAS, \$43,600,000 principal amount of the Series 2011C-1 Bonds are outstanding and \$89,900,000 principal amount of the Series 2013A-1 Bonds are outstanding; and

WHEREAS, pursuant to this resolution the Board determines to authorize the refunding of the all of the outstanding Series 2011C-1 Bonds and the outstanding Series 2013A-1 Bonds; and

WHEREAS, Section 15(e) of the Debt Reform Act provides that Alternate 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-1 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-RS4 adopted by the Board on October 26, 2011 (the “**Series 2011C-1 Bond Resolution**”); and

WHEREAS, pursuant to the 2009 Authorization and the Series 2011C-1 Bond Resolution, the Series 2011C-1 Bonds, on a parity with other Alternate Bonds issued pursuant to the 2009 Authorization, are payable from and secured by a pledge of and lien on not more than \$300,000,000 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 “**2009 Pledged Revenues**”); and

WHEREAS, the Series 2013A-1 Bonds were authorized pursuant to Resolution No. 08-0227-RS13 (the “**2008 Authorization**”) adopted by the Board on February 28, 2008 (the “**2008 Authorization**”) and Resolution No. 13-0403-RS1 adopted by the Board on April 3, 2013 (the “**Series 2013A-1 Bond Resolution**”); and

WHEREAS, pursuant to the 2008 Authorization and the Series 2013A-1 Bond Resolution, the Series 2013A-1 Bonds, on a parity with other Alternate Bonds issued pursuant to the 2008 Authorization, are payable from and secured by a pledge of and lien on not more than \$225,000,000 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 “**2008 Pledged Revenues**” and together with the 2009 Pledged Revenues, the “**Pledged Revenues**”); and

WHEREAS, the Board desires at this time, pursuant to Section 15(e) of the Debt Reform Act, to adopt this Resolution providing for the issuance of Alternate Bonds in an aggregate amount not to exceed \$160,000,000 for the purpose of refunding the outstanding Series 2011C-1 Bonds and the outstanding

Series 2013A-1 Bonds (collectively, the “**Refunding**”), all on the terms and conditions set forth in this Resolution; and

WHEREAS, the Alternate Bonds to be issued pursuant to this Resolution are herein referred to as the “**Bonds**”; and

WHEREAS, the Bonds may be issued in two series (the “**2011C-1 Refunding Bonds**” and the “**2013A-1 Refunding Bonds**”, respectively, and each, a “**Series**”); and

WHEREAS, the Series 2011C-1 Refunding Bonds will be payable from (i) such of the 2009 Pledged Revenues as are currently pledged to the payment of the outstanding Series 2011C-1 Bonds 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 Taxes**”), for the purpose of providing funds in addition to the 2009 Pledged Revenues and investment earnings thereon to pay the principal of and interest on the 2011C-1 Bonds; and

WHEREAS, the Series 2013A-1 Refunding Bonds will be payable from (i) such of the 2008 Pledged Revenues as are currently pledged to the payment of the outstanding Series 2013A-1 Bonds and (ii) the Pledged Taxes, for the purpose of providing funds in addition to the 2008 Pledged Revenues and investment earnings thereon to pay the principal of and interest on the 2013A-1 Bonds; and

WHEREAS, the Bonds of each Series will be issued under and secured by one or more Trust Indentures (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)** of this Resolution (the “**Trustee**”); and

WHEREAS, the Bonds will be further secured by the Funds, Accounts and Sub-Accounts established and pledged pursuant to the applicable Indenture; and

WHEREAS, the Board may elect to pay the debt service on the Bonds from time to time in the future from certain interest income, certain property tax revenues and other budgetary sources and in accordance with Section 13 of the Act, the Board may elect to pledge additional moneys 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 2008 Pledged Revenues and the 2009 Pledged Revenues constitute a "governmental revenue source" pursuant to the Debt Reform Act; 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 of the Board (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 Purchasers**") with respect to one or more Series of the Bonds pursuant to a separate Placement 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 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 methods described above, together with the execution of the Indenture, the Purchase and Sale Agreement and certain other agreements with respect to each Series and the performance of acts necessary or convenient in connection with the implementation of this Resolution and the issuance of the Bonds:

NOW, THEREFORE, Be It Hereby Resolved by the Chicago Board of Education of the Board of Education of the City of Chicago, as follows:

1. *Incorporation of Preambles.* The preambles of this Resolution are hereby incorporated into this text as if set out herein in full.
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 \$160,000,000 for the

purposes of paying the costs of the Refunding. The Bonds of each Series shall be designated "*Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series \_\_\_\_\_,*" with such additions, modifications or revisions as shall be determined to be necessary by any one of the President of the Board, the Senior Vice President of Finance or the Chief Financial Officer of the Board (the "**Chief Financial Officer**") (each a, "**Designated Official**"), the Designated Officials at the time of the sale of such Bonds to reflect the order of sale of such Bonds, whether such Bonds are Capital Appreciation Bonds, Current Interest Bonds, Convertible Bonds or Variable Rate Bonds (each as defined herein) and any other authorized features of such Bonds determined by any of the Designated Officials as desirable to be reflected in the title of the Bonds being issued and sold as part of such Series. The Designated Officials are each hereby authorized to appoint a Trustee for each Series of the Bonds so issued; provided, that such Trustee shall be a bank, trust company or national banking association doing business and having a corporate trust office in the State of Illinois and having capital and undivided surplus aggregating at least \$15,000,000 or shall be a wholly owned subsidiary of such an entity. The Bonds of each Series shall be issued and secured pursuant to the terms of an Indenture (i) authorizing Capital Appreciation Bonds, Current Interest Bonds, Convertible Bonds (a "**Fixed Rate Indenture**") or (ii) authorizing Variable Rate Bonds (a "**Variable Rate Indenture**"). Each of the Designated Officials is hereby authorized to execute and deliver, and the Secretary is hereby authorized to attest, each Fixed Rate Indenture or Variable Rate Indenture on behalf of the Board, each such 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 2008 Pledged Revenues or the 2009 Pledged Revenues, as applicable, 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 relating to the authorized denomination, 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.

Either of the Designated Officials is hereby authorized to determine the redemption date of each Series 2011C-1 Bond and Series 2013A-1 Bond to be redeemed.

(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 2009 Pledged Revenues and the 2008 Pledged Revenues, as appropriate, to the payment thereof, and the Board covenants and agrees to provide for, collect and apply such Pledged Revenues, together with investment earnings thereon and moneys held in the funds and accounts pursuant to the applicable Indenture, to the payment of such Series of the Bonds and the provision of an additional .10 times annual debt service of such Series of the Bonds. Each of the Designated Officials is authorized to allocate all or a portion of the 2009 Pledged Revenues and the 2008 Pledged Revenues, as appropriate to the payment of the principal of, redemption price of, interest on and the Compound Accreted Value of the applicable Series of the Bonds and the Indenture pursuant to which such Series of Bonds is issued and the notification of sale of such Series of the Bonds delivered by the Designated Officials pursuant to **Section 4(e)** of this Resolution shall identify the specific Pledged Revenues allocated to such Series. Once issued, the Bonds shall be and forever remain until paid or defeased the general obligation of the Board, for the payment of which its full faith and credit are pledged, and shall be payable, in addition to the 2009 Pledged Revenues and the 2008 Pledged Revenues, as appropriate, and investment earnings as described herein, from the levy of the Pledged Taxes as provided in the Debt Reform Act and in **Section 3** of this Resolution.

(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 the original principal amounts of such Capital Appreciation Bonds or any integral multiple thereof, each such 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 to the original principal amount plus an investment return accrued to the date of such determination at a semiannual compounding rate which is necessary to produce the yield to maturity borne by such Capital Appreciation Bond.

All or any portion of the Bonds may be issued as Bonds bearing interest at fixed rates and paying interest semiannually (the “**Current Interest Bonds**”). The Current Interest Bonds shall be dated such date as shall be agreed upon by a Designated Official and the purchasers of the Current Interest Bonds, shall be in fully registered form, shall be in denominations of \$5,000 each and any integral multiple thereof, 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 Appreciation Bonds and while in the 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 Compound Accreted 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.

All or any portion of the Bonds may be issued as bonds bearing interest at variable rates adjustable and payable from time to time, including, but not limited to, bonds bearing interest at variable rates that are adjusted and reset from time to time as may be necessary to cause such Bonds to be remarketable from time to time (the “**Variable Rate Bonds**”). The Variable Rate Bonds shall be dated such 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 payment of principal of any Variable Rate Bonds shall also include the payment of tender or purchase price of such Bonds as shall be specified in the Variable Rate Indenture executed and delivered by a Designated Official pursuant to which such Variable Rate Bonds are issued.

The Bonds shall be dated as of a date not earlier than November 1, 2016, as determined by a Designated Official at the time of sale thereof. The principal of the 2011C-1 Refunding Bonds shall become due and payable on any date not later than March 1, 2032 and the principal of the 2013A-1 Bonds shall become due and payable on any date not later than March 1, 2026, and, if issued as Current Interest Bonds, Capital Appreciation Bonds or Convertible Bonds, such Bonds shall bear interest at a rate or rates not to exceed 9 percent per annum (computed upon the basis of a 360-day year of twelve 30-day months) and payable on such dates as shall be determined by a Designated Official at the time of sale thereof, all as shall be determined by a Designated Official at the time of sale of such Bonds.

The Variable Rate Bonds shall bear interest from time to time at such rates determined (i) by such remarketing or other indexing agent as shall be selected by a Designated Official for that purpose or (ii) pursuant to such index or indices as shall be selected by a Designated Official for that purpose, which interest rate or rates shall not exceed the maximum permitted by law for obligations of the Board, but in no event more than 15 percent per annum, subject to the provisions of **Section 4(d)** of this Resolution. The method of determining the interest rate to be borne from time to time by the Variable Rate Bonds of any Series shall be specified in the applicable Variable Rate Indenture. Each Variable Rate Bond shall bear interest at such rates payable on such dates as shall be determined by a Designated Official at the time of sale of such Bonds and specified in the applicable Variable Rate Indenture.

(d) The Bonds of each Series may be redeemable prior to maturity at the option of the Board, in whole or in part on any date, at such times and at such redemption prices (to be expressed as a percentage of the principal amount of such Bonds being redeemed, plus accrued interest to the date of redemption), as shall be determined by a Designated Official at the time of the sale thereof. The Bonds of each Series may be made subject to sinking fund redemption, at par and accrued interest to the date 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(c)** 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 remarketing of any Variable Rate Bonds so tendered for purchase under the terms and conditions specified in the applicable Variable Rate Indenture, each of the Designated Officials is hereby authorized to execute on behalf of the Board one or more remarketing agreements with such national banking associations, banks, trust companies, investment bankers or other financial institutions as shall be selected by a Designated Official reflecting the terms and provisions of the Variable Rate Bonds and containing such provisions as the Designated Official executing the same shall determine are necessary or desirable in connection with the sale of some or all of the Bonds as Variable Rate Bonds.

(e) The Bonds of each Series may initially be issued in book-entry only form as provided in the applicable Indenture. The Bonds shall be executed by the manual or duly authorized facsimile signature of the President of the Board and attested by the Secretary of the Board by the manual or duly authorized facsimile signature of the Secretary and prepared in the respective forms as provided in the applicable Indenture. The applicable Indenture may also require or permit the additional manual or duly authorized facsimile signature of the Chief Executive Officer, the Senior Vice President of Finance or the Chief Financial Officer.

(f) All of the outstanding Series 2011C-1 Bonds and Series 2013A-1 Bonds shall be refunded pursuant to and in accordance with Section 15(e) of the Debt Reform Act. The determination that the term of the applicable Series of Bonds is not longer than the term of the Series 2011C-1 Bonds or the Series 2013A-1 Bonds, as applicable, and that the debt service payable in any year on such Bonds does not exceed the debt service payable in such year on the Series 2011C-1 Bonds or the Series 2013A-1 Bonds, as applicable, shall be made by a Designated Official, who shall also execute a certification attesting to said determination.

3. *Tax Levy; Pledged Taxes.* (a) 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
2016	\$22,398,100
2017	22,319,350
2018	21,873,650
2019	21,397,100
2020	20,782,900
2021	20,233,700
2022	19,549,600
2023	18,932,800
2024	13,502,950
2025	5,198,000
2026	5,110,000
2027	5,104,000
2028	4,971,000
2029	4,820,000
2030	4,251,000

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 collection on a timely basis to make such payments (the taxes levied or 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 aggregate Pledged 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 Taxes shall be 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 taxes, and when collected, if required pursuant to any escrow or similar agreement executed and delivered pursuant to **Section 5** of this Resolution, the taxes hereby levied shall be deposited with the designated bank, trust company or national banking association.

(c) At the time and in the manner set forth in each Indenture, the Board shall direct the abatement of the Pledged Taxes in whole or in part.

(d) The notification of sale of any Series of the Bonds delivered by the Designated Officials pursuant to **Section 4(e)** of this Resolution may provide for the allocation of all or a portion of the Pledged Taxes levied for any year pursuant to this Resolution to the payment of the principal and redemption price of and interest on such Series of the Bonds.

4. *Sale of the Bonds, Purchase and Sale Agreements.* (a) Each Series of the Bonds shall be sold and delivered to the Purchasers, subject to the terms and conditions of the applicable Purchase and Sale Agreement; provided, (i) that the aggregate purchase price of any Current Interest Bonds or Variable Rate Bonds shall be not less than 97 percent of the principal amount thereof to be issued (less any original issue discount used in the marketing thereof) plus accrued interest from their date to the date of delivery thereof, (ii) that the aggregate purchase price of any Capital Appreciation Bonds or Convertible Bonds shall not be less than 97 percent of the aggregate original principal amount thereof and (iii) 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 Senior Vice President of Finance and the Chief Financial Officer each individually are 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 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 Senior Vice President of Finance or the Chief Financial Officer shall make a finding in connection with the execution of each Purchase and Sale Agreement that (i) the Bonds sold thereunder have been sold at such price and bear

interest at such rate that neither the true interest cost (yield) nor the net interest rate received upon the sale of such Bonds exceeds the maximum rate otherwise authorized by applicable law, and (ii) that no person holding any office of the Board, either by election or appointment, is in any manner interested, either directly or indirectly, in his or her own name, in the name of any other person, association, trust or corporation, in the applicable Indenture, any escrow or similar agreement executed and delivered pursuant to **Section 5** of this Resolution, the applicable Purchase and Sale Agreement or any agreement with a Bond Insurer, Debt Reserve Credit Facility Provider or Credit Provider authorized by paragraphs (b), (c) and (d) of this Section, or in the issuance and sale of such Bonds, in accordance with the laws of the State of Illinois and the Code of Ethics of the Board (Board Rule No. 11-0525-PO2, as amended).

(b) In connection with any sale of the Bonds of each Series, each of the Designated Officials is hereby authorized to obtain a bond insurance policy from such recognized bond insurer as such Designated Official shall determine (the “**Bond Insurer**”) if said Designated Official determines such bond insurance policy to be desirable in connection with the sale 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 Facility Provider**”) if such Designated Official determines such debt reserve credit facility to be desirable in providing for the funding of any required debt service reserve fund. Each Designated Official is also authorized to enter into such agreements and make such covenants with any Debt Reserve Credit Facility Provider that such Designated Official deems necessary and that are not inconsistent with the terms and provisions of this Resolution, including the payment of reasonable fees to any Debt Reserve Credit Facility Provider.

(d) In connection with the sale of the Bonds of any Series, to provide additional security and liquidity for such Bonds, each of the Designated Officials is hereby authorized to obtain a letter of credit,

line of credit or other credit or liquidity facility, including similar agreements with or facilities issued by a Bond Insurer (a "**Credit Facility**"), if determined by such Designated Official to be desirable in connection with such sale of Bonds. Each of the Designated Officials is hereby further authorized to appoint one or more banks, Bond Insurers or other financial institutions to issue such Credit Facility (the "**Credit Provider**") and to execute and deliver on behalf of the Board a credit, reimbursement or similar agreement (the "**Credit Agreement**") providing for the issuance of the Credit Facility and the obligation of the Board to repay funds borrowed under the Credit Facility or advances made by the Credit Provider under the Credit Facility with respect to such Bonds. The Credit Facility may be in a form that provides for the purchase of such Bonds by the Credit Provider (any such Bond so purchased being referred to as a "**Bank Bond**") and the Indenture as executed and delivered shall reflect the terms and provisions of such Bank Bonds. Any Bonds outstanding as Bank Bonds shall be secured as provided in the applicable Indenture. The annual fee paid to any Credit Provider for the provision of a Credit Facility shall not exceed 3 percent of the amount available to be drawn or advanced under such Credit Facility.

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 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 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 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 Accreted Value of the Bonds of such Series, (iii) the principal amounts of the Bonds of each Series sold as Current Interest Bonds, Capital Appreciation Bonds, Convertible Bonds and Variable Rate 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 or, in the case of Variable Rate Bonds, a description of the method of determining the interest rate applicable from time to time to such Variable Rate Bonds, (vi) debt service schedules for the Bonds of each Series, together with determinable investment earnings from the investment of moneys held in the funds and accounts pursuant to the applicable Indenture, demonstrating that the Pledged Revenues and said investment earnings and moneys held in the funds and accounts pursuant to such Indenture, are expected to be in an amount sufficient to provide the debt service coverage described in **Section 2(b)** of this Resolution, (vii) the terms and provisions for the conversion of the Compound Accrued Value 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 (g) 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 Credit Agreement between the Board and such Credit Provider shall be attached to said notification of sale, (xii) the identity of the Trustee designated pursuant to **Section 2** of this Resolution with respect to the Bonds of such Series, (xiii) the applicable redemption date or dates of the Series 2011C-1 Bonds and Series 2013A-1 Bonds being refunded, (xiv) the identity of any bank or trust company selected by a Designated Official to serve as Refunding Escrow Agent pursuant to the authorization granted in paragraph (j) of this Section, (xv) if an escrow or other similar agreement is to be executed and delivered

as authorized in **Section 5** of this Resolution, a copy of such agreement shall be attached to said notification of sale and (xvi) the identity of and the compensation paid to the Purchasers in connection with such sale.

In the event that the Designated Official executing such notification of sale determines that the Bonds have been sold in such principal amount or maturing or bearing interest so as to require the levy of taxes in any year less than the amount specified therefor in **Section 3(a)** of this Resolution, then such Designated Official shall include, in the notification of sale described in this Section, the amount of reduction in the amount levied in **Section 3(a)** of this Resolution for each year resulting from such sale, and in addition, any one or more of the Designated Officials shall file in the respective offices of the County Clerks certificates of tax abatement for such years. In the case of Variable Rate Bonds, such amounts to be abated from taxes 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)** of this Resolution need be made nor must any 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)** of this Resolution 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)** 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 Series 2011C-1 Bonds and the Series 2013A-1 Bonds.

(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 Statement but with appropriate variations, omissions and insertions to reflect the final terms of the Bonds being sold or (ii) authorized herein for a Preliminary Official Statement if none is used in the marketing of the Bonds being sold) is hereby approved. Each Designated Official is hereby authorized and directed to execute the final Official Statement or other Disclosure Document, as appropriate, on behalf of the Board.

In connection with the sale of a Series of the Bonds, the Designated Officials are hereby authorized to provide to prospective Private Purchasers such information regarding the Board’s operations and finances as would typically be included in a Disclosure Document and to enter into such discussions and negotiations with such prospective Private Purchasers as such Designated Officials shall deem appropriate. 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 costs of the Refunding, 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.

(h) The Senior Vice President of Finance and the Chief Financial Officer are hereby each authorized individually to enter into or approve such agreements with investment providers as shall be necessary or advisable in connection with the investment of any funds on deposit under the Indenture, to the extent such investments are authorized under the terms of the Indenture, the Investment Policy of the Board and applicable law, as in effect from time to time.

(i) For the purpose of providing for the Refunding, each of the Designated Officials is hereby authorized to execute and deliver one or more refunding escrow agreements (each, a “**Refunding Escrow Agreement**”) on behalf of the Board, attested by the Secretary of the Board, such Refunding Escrow Agreements to be in substantially the form executed and delivered in connection with previous refundings of obligations issued by or on behalf 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 Refunding Escrow Agreement. Each of the Designated Officials is hereby authorized to designate a bank or trust company to act as Refunding Escrow Agent under each Refunding Escrow Agreement. Each Refunding Escrow Agreement may include, to the extent permitted by law, agreements entered into between the Board and providers of securities under which agreements providers agree to purchase from or sell to the Board specified securities on specific dates at predetermined prices, all as established at the time of execution of any such agreement

5. *Escrow of Pledged Revenues.* If deemed 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 Pledged Taxes as the Designated Official executing such agreement shall deem appropriate.

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 Illinois, as amended, to execute a written direction to the County Collectors of The Counties of Cook and DuPage, Illinois (the "**County Collectors**"), (i) to deposit the collections of the Pledged Taxes as and when extended for collection directly with such escrow agent designated pursuant to **Section 5** of this Resolution in order to secure the payment of the principal of and interest on the Bonds, and (ii) to the extent necessary, advising the County Collectors of the abatement of the Pledged Taxes. The Designated Officials are authorized to file a certified copy of this Resolution with each of the County Collectors.

7. *Tax-Exemption and Non-Arbitrage.* Each of the Designated Officials is hereby authorized to take any other actions and to execute any other documents and certificates necessary to assure that the interest payments with respect to the Bonds of each Series are excludable from gross income for Federal income tax purposes, to assure that the Bonds do not constitute "*arbitrage bonds*" or "*private*

*activity bonds*” under the Internal Revenue Code of 1986, as amended, and to effectuate the issuance and delivery of the Bonds, including but not limited to the execution and delivery of a Tax Agreement; *provided*, however, that any of the Bonds may be issued as Bonds the interest on which is includible in the gross income of the owner thereof for federal income tax purposes if determined by a Designated Official to be beneficial to the Board.

8. *Continuing Disclosure Undertaking.* Each of the Designated Officials is hereby authorized to execute and deliver one or more Continuing Disclosure Undertakings (each, a “**Continuing Disclosure Undertaking**”) evidencing the Board’s agreement to comply with the requirements of Section (b)(5) of Rule 15c2-12, as applicable to the Bonds of each Series. 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 of the applicable Series to seek mandamus or specific performance by court order to cause the Board to comply with its obligations under such 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.

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 or authority delegated to such official 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.

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.

11. *Repealer and Effective Date.* All resolutions or parts of resolutions in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution is effective immediately upon its adoption.