

December 16, 2015

**RESOLUTION AUTHORIZING THE ISSUANCE OF EDUCATIONAL  
PURPOSES TAX ANTICIPATION WARRANTS AND NOTES OF THE  
BOARD OF EDUCATION OF THE CITY OF CHICAGO, ILLINOIS, IN  
AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED  
\$195,000,000**

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 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 levied its 2015 tax levy for educational purposes (the "*2015 Tax Levy*") in the amount of \$2,304,600,000, and such levy has been filed in the manner provided by law with the County Clerk of the County of Cook and the County Clerk of the County of DuPage, Illinois; and

WHEREAS, pursuant to Section 34-23 of the School Code, the Board is authorized to issue tax anticipation warrants against and in anticipation of taxes levied for the payment of expenditures for educational purposes in an amount not to exceed 85% of the 2015 Tax Levy; and

WHEREAS, pursuant to Section 34-23.5 of the School Code and in lieu of issuing the tax anticipation warrants authorized by Section 34-23 of the School Code, the Board is authorized to issue notes, bonds, or other obligations (and in connection with such issuance, establish lines of credit with one or more banks) in anticipation of the receipt of the taxes levied for educational purposes; and

WHEREAS, on June 24, 2015, the Board adopted Resolution 15-0624-RS11 authorizing the issuance of \$935,000,000 aggregate principal amount of Educational Purposes Tax Anticipation Notes (the "*Initial 2015 Authorization*"); and

WHEREAS, pursuant to the Initial 2015 Authorization and a Credit Agreement dated August 28, 2015 (the "*Series 2015B Credit Agreement*"), between the Board and Barclays Bank PLC (the "*Series*

2015B Bank”), a line of credit was established for the benefit of the Board in the maximum amount outstanding at any one time of \$370,000,000 to provide advances to the Board for the purpose of paying such ordinary and necessary expenditures for educational purposes (the “*Series 2015B Advances*”) pursuant to the Initial 2015 Authorization; and

WHEREAS, pursuant to a Trust Indenture dated as of August 1, 2015 (the “*Series 2015B Indenture*”), between the Board and Zions First National Bank, as trustee (the “*Trustee*”), the Board is authorized to issue its Educational Purposes Tax Anticipation Notes, Series 2015B (the “*Series 2015B Notes*”), to evidence its obligations under the Series 2015B Credit Agreement to repay the Series 2015B Advances; and

WHEREAS, pursuant to the Initial 2015 Authorization and a Trust Indenture dated as of September 1, 2015 (the “*Series 2015A Indenture*” and, together with the Series 2015B Indenture, the “*Series 2015AB Indentures*”), between the Board and the Trustee, the Board has issued its Educational Purposes Tax Anticipation Notes, Series 2015A (the “*Series 2015A Notes*” and, together with the Series 2015B Notes, the “*Series 2015AB Notes*”), in the aggregate principal amount of \$500,000,000; and

WHEREAS, the Series 2015A Notes were purchased by J.P. Morgan Securities LLC (the “*Series 2015A Purchaser*”) pursuant to a note purchase agreement between the Board and the Series 2015A Purchaser dated as of September 11, 2015 (the “*Series 2015A Note Purchase Agreement*”); and

WHEREAS, other than the Initial 2015 Authorization, the Board has not been authorized to issue any warrants, notes or other obligations in anticipation of the receipt of the 2015 Tax Levy; and

WHEREAS, other than the Series 2015AB Notes, no warrants, notes or other obligations have been issued by the Board in anticipation of the receipt of the 2015 Tax Levy, and \$65,000,000 in aggregate principal amount of Educational Purposes Tax Anticipation Notes authorized under the Initial 2015 Authorization remains unissued (the “*Unissued Portion*”); and

WHEREAS, the Board wishes to authorize at this time the issuance of Tax Anticipation Obligations pursuant to the terms of this Resolution in an aggregate principal amount of \$195,000,000; and

WHEREAS, the aggregate principal amount of all warrants, notes, or other obligations, including the Series 2015AB Notes and the Notes (as hereinafter defined and issued pursuant to this Resolution), issued in anticipation of the collection of the 2015 Tax Levy will not exceed 85% of the 2015 Tax Levy; and

WHEREAS, the Board has not established a working cash fund pursuant to Sections 34-30 through 34-36 of the School Code; and

WHEREAS, the Board, the Trustee and Zions First National Bank, as escrow agent (the "Escrow Agent") have entered into the 2015 Tax Escrow Agreement dated August 28, 2015 (the "Tax Escrow Agreement") with respect to the administration of all of the money derived from the collection of the 2015 Tax Levy and the Board has authorized the direct deposit with the Escrow Agent of the receipts of the 2015 Tax Levy:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Chicago 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 the preambles to this resolution are full, true and correct and does incorporate them into this resolution by this reference.

2. *Definitions.* For all purposes of this Resolution and in addition to the defined terms in the preambles to this Resolution, except as otherwise expressly provided or unless the context otherwise requires and in addition to the terms defined in the preambles hereto, the terms defined in this Section shall have the meanings set forth below, and shall include the plural as well as the singular.

"Designated Officials" shall mean the President and the Senior Vice President of Finance of the Board.

*"Lending Agreement"* means one or more agreements by and between the Board and one or more banks pursuant to which the banks will agree to establish one or more lines of credit.

*"Line of Credit"* means any line of credit authorized under this Resolution and established with a bank for the benefit of the Board.

*"Note Purchase Agreement"* means one or more agreements between the Board and one or more financial institutions pursuant to which such financial institutions will agree to purchase any Notes.

*"Notes"* means the tax anticipation notes of the Board authorized to be issued under this Resolution.

*"Tax Anticipation Obligations"* means the Warrants or the Notes, if the Notes are issued in lieu of the Warrants.

*"Tax Receipts"* means the tax revenue collected from the 2015 Tax Levy.

*"Trust Indenture"* means one or more agreements providing for the issuance of the Tax Anticipation Obligations and for their repayment from property tax revenues, by and between the Board and a bank, trust company or national banking association having trust powers and appointed by one of the Designated Officials to act as trustee under the Trust Indenture.

*"Warrants"* shall mean the tax anticipation warrants of the Board issued pursuant to Section 34-23.5 of the School Code authorized to be issued under this Resolution.

3. *Findings.* It is found and determined that (A) the borrowing from time to time of moneys in anticipation of the collection of the Tax Receipts is necessary so that sufficient moneys will be in the treasury of the School District at all times to meet the ordinary and necessary expenses of the School District for educational purposes; (B) that authorizing the issuance of Warrants, the establishment of Lines of Credits and the authorizing of the Notes will provide the needed access to funds to meet such ordinary and necessary expenses, and (C) that no person holding an office of the Board, either by

election or appointment, is in any manner interested, either directly or indirectly, in such person's own name or the name of any other person, association, trust or corporation, in the transactions contemplated by the Warrants or by the Notes and the Lines of Credit.

4. *Determination to Authorize Tax Anticipation Warrants.* The Board is hereby authorized to issue Warrants in anticipation of the 2015 Tax Levy in an aggregate principal amount of not to exceed \$195,000,000. The authority contained in the Initial 2015 Authorization to issue the Unissued Portion is hereby rescinded. The Warrants are to be issued in accordance with the provisions of Section 34-23 of the School Code and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350.

5. *Determination to Authorize Lines of Credit, Note Purchase Agreements and Tax Anticipation Notes.* Pursuant to Section 34-23.5 of the School Code and in lieu of the issuance of the Warrants authorized by Section 4 hereof, the Board is hereby authorized, as shall be determined from time to time by the Senior Vice President of Finance as hereafter provided, to (i) enter into Lending Agreements with one or more banks for the provision of Lines of Credit for the Board and to evidence borrowings under such Lines of Credit by the issuance of one or more series of Notes and (ii) enter into Note Purchase Agreements with one or more financial institutions pursuant to which such financial institutions will purchase one or more series of Notes. The Board is hereby authorized to issue such Notes in anticipation of the collection of the 2015 Tax Levy in an aggregate principal amount outstanding at any time of not to exceed \$195,000,000, such Notes to be issued in accordance with the provisions of Section 34-23.5 of the School Code and the Local Government Debt Reform Act.

6. *Authorization and Terms.* The Tax Anticipation Obligations are hereby authorized to be issued and if Notes are issued in lieu of the issuance of Warrants, the Lines of Credit are hereby authorized to be established and the Note Purchase Agreements are authorized to be executed as provided herein, in either case to provide funds to defray the necessary expenses and liabilities of the School District incurred for educational purposes prior to the receipt of taxes levied for such purposes

pursuant to the 2015 Tax Levy. The Tax Anticipation Obligations shall be drawn against and in anticipation of the collection of the 2015 Tax Levy. The Tax Anticipation Obligations shall be limited obligations of the Board payable solely from the Tax Receipts when collected.

The Tax Receipts are hereby assigned as security of the payment of the Tax Anticipation Obligations and such Tax Receipts, when collected, shall be set apart and held for the payment of the Tax Anticipation Obligations.

All moneys borrowed pursuant to this Resolution shall be repaid exclusively from the Tax Receipts derived from the 2015 Tax Levy, and such payment shall be made from time to time, as determined by any of the Designated Officials, with the final payment to be made within 60 days after the Tax Receipts have been distributed to or received by the Board. Any of the Designated Officials are hereby authorized to determine, at their discretion, to retire the borrowing by the making of partial payments or payment in full. The application of the Tax Receipts to the payment of the Tax Anticipation Obligations authorized hereunder shall be subject to the applicable provisions of the Series 2015B Credit Agreement, the Series 2015A Note Purchase Agreement, the Series 2015AB Indentures and the Tax Escrow Agreement, as any of such agreements or indentures may be supplemented or amended as hereinafter authorized.

The Tax Anticipation Obligations shall bear interest at a rate or rates, fixed or variable, as determined by either of the Designated Officials, not to exceed the maximum rate authorized by the Bond Authorization Act, from the date of their issuance until paid.

7. *Execution.* The Tax Anticipation Obligations shall be executed on behalf of the Board with the manual or duly authorized facsimile signatures of the President and Secretary of the Board, all as such officers shall determine. In case any officer whose signature shall appear on the Tax Anticipation Obligations shall cease to be such officer before the delivery of such Tax Anticipation Obligations, such

signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

8. *Approval of Documents.* The form of Trust Indenture for the Warrants attached to the Initial 2015 Authorization as Exhibit A is hereby approved and, on behalf of the Board, each of the Designated Officials is authorized to enter into one or more such Trust Indentures.

Each of the Designated Officials is authorized to enter into (i) one or more Note Purchase Agreements in substantially the form of the Series 2015A Note Purchase Agreement, including an amendment and restatement of the Series 2015A Note Purchase Agreement or (ii) one or more Lending Agreements in substantially the form of the Series 2015B Credit Agreement, including an amendment and restatement of the Series 2015B Credit Agreement, in either case with such revisions, insertions, completions and modifications thereof as shall be approved by the Designated Official executing the same, and that are not inconsistent with the terms and provisions of this Resolution, such execution to constitute conclusive evidence of such Designated Official's approval and this Board's approval of such revisions, insertions, completions and modifications thereof.

Any series of the Notes (i) issued to evidence borrowings under a Lending Agreement and Line of Credit shall be issued pursuant to a Trust Indenture in substantially the form of the Series 2015B Indenture and (ii) to be sold pursuant to a Note Purchase Agreement shall be issued pursuant to a Trust Indenture in substantially the form of the Series 2015A Indenture. Each of the Designated Officials is authorized to execute, and the Secretary is authorized to attest, one or more such Trust Indentures in substantially the forms described above, with such revisions, insertions, completions and modifications thereof as shall be approved by the Designated Official executing the same, and that are not inconsistent with the terms and provisions of this Resolution, such execution to constitute conclusive evidence of such Designated Official's approval and this Board's approval of such revisions, insertions, completions and modifications thereof.

Each of the Designated Officials is authorized to enter into such supplements and amendments to, or amendments and restatements of, the Series 2015B Credit Agreement, the Series 2015A Note Purchase Agreement, the Series 2015AB Indentures and the Tax Escrow Agreement as such Designated Official shall deem necessary to facilitate the issuance of the Notes upon terms that are not inconsistent with the terms and provisions of this Resolution.

If determined to be necessary by a Designated Official in connection with the initial sale or subsequent reoffering of any Tax Anticipation Obligations, the preparation, use and distribution of a Preliminary Official Statement, Private Placement Memorandum, Limited Offering Memorandum or Notice of Public Sale relating to each issue of Tax Anticipation Obligations (the "*Disclosure Document*") in substantially the respective forms delivered in connection with previous issues, is hereby authorized and approved. The Designated Officials are each hereby authorized to execute and deliver such Disclosure Document on behalf of the Board. The Disclosure Document herein authorized may contain a description of the terms and provisions of, and security for, such obligations, the use of proceeds of such obligations, financial information relating to the Board, and such other information as any Designated Officer determines to be advisable under the circumstances.

9. *Application of Proceeds and Other Moneys.* Proceeds of sale of the Tax Anticipation Obligations are appropriated for the educational expenses of the Board and for the payment of costs of issuance of the Notes and related fees.

10. *Further Acts.* Each of the Designated Officials, officials or officers of the Board are hereby authorized to execute and deliver the documents approved by this Resolution, and such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Tax Anticipation Obligations, the Lending Agreements and the Note Purchase Agreements, including, but not limited to, provisions relating to increased costs and indemnification, and the exercise following the delivery date of the Tax Anticipation Obligations of any power or authority delegated to such official under



this Resolution with respect to the Tax Anticipation Obligations and Lending Agreements, but subject to any limitations on or restrictions of such power or authority as herein set forth. The General Counsel is authorized to select and engage attorneys and other professionals to provide services related to the transactions described in this Resolution. The General Counsel may make such selection of professionals based upon substantial demonstrated prior experience.

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.

11. *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.

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