

**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 \$945,000,000,
PURSUANT TO THE SCHOOL CODE AND THE LOCAL GOVERNMENT
DEBT REFORM ACT AND AUTHORIZING CERTAIN OTHER MATTERS**

WHEREAS, pursuant to the provisions of Article 34 of the School Code, 105 Illinois Compiled Statutes 5 (the "*School Code*"), the City of Chicago (the "*City*") 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" and 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 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 "*Project*"), all in accordance with the estimates of cost, including the Board's Capital Improvement Program, as from time to time approved and amended by the Board and on file in the office of the Secretary of the Board; and

WHEREAS, the cost of the Project, the cost of funding swap termination payments or 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, termination payments and fees, printing and publication costs, reserves and other expenses, is estimated to be not less than \$945,000,000 and there are insufficient funds 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 or from time to time

pursuant to the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350 (the “Act”); and

WHEREAS, it is necessary and for 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 \$945,000,000 and in evidence thereof to issue alternate bonds, being general obligation bonds payable from any or all of the following sources: (i) the 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, 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 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 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, (iii) proceeds of all or any portion of a capital improvement tax levied and extended, and to be levied and extended, by the Board pursuant to Article 34 of the School Code, (iv) any monies lawfully available to and validly accepted by the Board pursuant to any currently existing

or hereafter authorized and executed intergovernmental agreement by and between the School District and the City of Chicago (including, but not limited to, tax increment financing) or pursuant to an agreement with the Chicago Infrastructure Trust, (v) school construction project or debt service grants and other amounts to be paid to the Board pursuant to the School Construction Law of the State of Illinois, the Riverboat Gambling Act or such successor or replacement acts as may be enacted in the future, (vi) investment returns and earnings from the Funding and the Refunding and the investment of any of the foregoing sources, (vii) 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, which alternate bonds shall be issued from time to time by the Board in an aggregate principal amount not to exceed \$945,000,000, all in accordance with the School Code and the Act; 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 \$945,000,000 for the purpose of providing funds to pay the costs of the Project, the Funding and the Refunding; and

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

Section 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.

Section 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 that for such purposes, 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 \$945,000,000 (the “Bonds”).

Section 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 112,465 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 the publication of this Resolution and said notice, then the Bonds shall be authorized to be issued.

Section 4. Additional Resolutions. 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 the details of the Bonds, so long as the maximum amount of the Bonds as set forth in this Resolution is not exceeded and there is no material change in the Project, the Funding and the Refunding, or any other purposes described herein. Such additional resolutions or proceedings shall in all instances become effective immediately 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.

Section 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.

Section 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.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATE OF RESOLUTION AND MINUTES

I, the undersigned, do hereby certify that I am the duly qualified Secretary of the Chicago Board of Education (the “*Board*”) of the Board of Education of the City of Chicago (the “*School District*”), and that as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Board held on the 24th day of August, 2016, insofar as same relates to the adoption of a resolution entitled:

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 \$945,000,000, pursuant to the School Code and the Local Government Debt Reform Act and authorizing certain other matters.

a true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 48 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as Exhibit A, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the School Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board.

IN WITNESS WHEREOF I hereunto affix my official signature, this _____ day of _____, 2016.

Estela G. Beltran
Secretary, Chicago Board of Education of the
Board of Education of the City of Chicago

PETITION

To the Secretary of the Chicago Board of Education of the Board of Education of the City of Chicago:

We, the undersigned, being registered voters of the Board of Education of the City of Chicago, do hereby petition you to cause the following question to be certified to the Board of Election Commissioners of the City of Chicago and to the Board of Election Commissioners of DuPage County, Illinois, in their respective capacities as Election Authority in said City and County, and submitted to the electors of the school district governed by said Board at the consolidated primary election to be held on February 28, 2017:

Shall bonds in the amount of \$945,000,000 be issued by the Board of Education of the City of Chicago, said bonds being general obligation bonds payable from any or all of the following sources: (i) the State Aid payments to be made to said Board in any year pursuant to Article 18 of the School Code of the State of Illinois, as amended, or such successor or 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 punctual provision of debt service coverage for such bonds in the following bond payment years:

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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 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, (iii) proceeds of all or any portion of a capital improvement tax levied and extended, and to be levied and extended, by the Board pursuant to Article 34 of the School Code, (iv) any monies lawfully available to and validly accepted by the Board pursuant to any currently existing or hereafter authorized and executed intergovernmental agreement by and between the Board of Education of the City of Chicago and the City of Chicago (including, but not limited to, tax increment financing), or pursuant to an agreement with the Chicago

Infrastructure Trust, (v) school construction project or debt service grants and other amounts to be paid to the Board pursuant to the School Construction Law of the State of Illinois, the Riverboat Gambling Act of the State of Illinois or such successor or replacement acts as may be enacted in the future, (vi) investment returns and earnings from funding obligations and refunding obligations or investments of the Board and the investment of any of the foregoing sources, (vii) rental income derived from Chicago Board of Education 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, which general obligation bonds would be issuable from time to time bearing interest per annum at not to exceed the maximum rate authorized by law at the time of the sale thereof, for the purpose of (i) paying the cost of constructing, acquiring and equipping school and administrative buildings, site improvements and other real and personal property in and for the school district governed by the Board, (ii) funding swap termination payments or funding obligations or purchasing related investments of the Board, (iii) refunding obligations of or issued on behalf of the Board and related costs, (iv) paying interest to accrue on such Bonds, (v) funding any necessary reserves in connection with such Bonds and (vi) paying costs of issuance thereof?

PETITION

NAME

ADDRESS

_____	_____, Chicago, Illinois
_____	_____, Chicago, Illinois
_____	_____, Chicago, Illinois
_____	_____, Chicago, Illinois
_____	_____, Chicago, Illinois
_____	_____, Chicago, Illinois
_____	_____, Chicago, Illinois
_____	_____, Chicago, Illinois

I, _____, of _____ (insert residence address), _____, Illinois, do hereby certify that I am a registered voter of the Board of Education of the City of Chicago and that the signatures on this petition were signed in my presence and are genuine, and, to the best of my knowledge and belief, the persons so signing were at the time of signing this petition registered voters of the school district governed by said Board and that their respective addresses are correctly stated herein.

_____/s/

Subscribed and sworn to before me this _____ day of _____, 2016.

[SEAL]

_____/s/

Notary Public

**NOTICE OF INTENT TO ISSUE BONDS
AND RIGHT TO FILE PETITION**

Notice is hereby given that pursuant to a resolution adopted on the 24th day of August, 2016 (the "*Resolution*"), the Chicago Board of Education (the "*Board*") of the Board of Education of the City of Chicago (the "*School District*"), intends to issue alternate bonds (the "*Bonds*"), being general obligation bonds payable from any and all of the following revenue sources: (i) the State Aid payments to be made to the Board in any year pursuant to Article 18 of the School Code of the State of Illinois, as amended, or such successor or 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 punctual provision of debt service coverage for such bonds in the following bond payment years:

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(ii) 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, (iii) proceeds of all or any portion of a capital improvement tax levied and extended, and to be levied and extended, by the Board pursuant to Article 34 of the School Code, (iv) any monies lawfully available to and validly accepted by the Board pursuant to any currently existing or hereafter authorized and executed intergovernmental agreement by and between the School District and the City of Chicago (including, but not limited to, tax increment financing) or pursuant to an agreement with the Chicago Infrastructure Trust, (v) school construction project or debt service grants and other amounts to be paid to the Board pursuant to the School Construction Law of the State of Illinois, the Riverboat Gambling Act or such successor or replacement acts as may be enacted in the future, (vi) investment returns and earnings from funding obligations and refunding obligations or investments of the Board and the investment of any of the foregoing sources, (vii) 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. If the revenue sources pledged to pay the Bonds are not sufficient, then ad valorem property taxes may be extended to pay the Bonds.

The Bonds shall be issued from time to time by the Board in an aggregate principal amount not to exceed \$945,000,000 and bearing interest per annum at not to exceed the maximum rate authorized by law at the time the Bonds are sold, for the purpose of (i) paying the cost of constructing, acquiring and equipping school and administrative buildings, site improvements and other real and personal property in and for the school district governed by the Board, in accordance with the Board's Capital Improvement Program, as approved and amended

by the Board from time to time and on file in the office of the Secretary of the Board, (ii) funding swap termination payments or funding obligations or purchasing related investments of the Board, (iii) refunding obligations of or issued on behalf of the Board and related costs, (iv) paying interest to accrue on such Bonds, (v) funding any necessary reserves in connection with such Bonds and (vi) paying costs of issuance thereof. A complete copy of the Resolution follows this notice.

Notice is hereby further given that if a petition signed by 112,465 or more electors of the School District (being equal to 7.5% of the registered voters in the School District) is submitted to the Secretary of the Board (the "*Secretary*") within thirty (30) days of publication of this notice and the Resolution, an election on the proposition to issue the Bonds shall be held on February 28, 2017. The Circuit Court may declare that an emergency referendum should be held prior to said election date pursuant to the provisions of Section 2A-1.4 of the Election Code of the State of Illinois, as amended. If no such petition is filed with the Secretary within said 30-day period, the Bonds shall be authorized to be issued.

By order of the Chicago Board of Education of the Board of Education of the City of Chicago.

Dated this _____ day of _____, 2016.

/s/ Estela G. Beltran
Secretary, Chicago Board of Education of the
Board of Education of the City of Chicago