

**RESOLUTION AUTHORIZING THE PURCHASE AND REMARKETING OF CERTAIN CHICAGO SCHOOL FINANCE AUTHORITY BONDS AND PROVIDING FOR THE EXECUTION AND DELIVERY OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CHICAGO SCHOOL FINANCE AUTHORITY AND OTHER MATTERS RELATED THERETO**

**WHEREAS**, pursuant to the provisions of Article 34 of the School Code of the State of Illinois, as amended, 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" (the "Board"); and

**WHEREAS**, the Chicago School Finance Authority (the "Authority"), a body politic and corporate and a unit of local government of the State of Illinois, has the power to issue bonds to provide financial assistance to the Board; and

**WHEREAS**, the Authority previously issued its General Obligation School Assistance Bonds, Series (1994A) (the "1994A Bonds") pursuant to the School Financing Bond Resolution of the Authority, adopted February 17, 1994 (the "Bond Resolution"), and the 1994A Series Resolution of the Authority, adopted February 17, 1994 (the "1994A Series Resolution") to provide financial assistance to the Board; and

**WHEREAS**, the 1994A Bonds, currently outstanding in the aggregate principal amount of \$205,705,000, mature on June 1, 2009 and are subject to redemption prior to maturity, at the option of the Authority, on any date on or after June 1, 2004 at a redemption price equal to 102% of the principal amount of 1994A Bonds to be redeemed, plus any accrued interest to the date of redemption (the "1994A Redemption Price"); and

**WHEREAS**, the Board has been presented with a financing concept relating to the restructuring of the 1994A Bonds (the "1994A SFA Bond Restructuring"), pursuant to which the Board and the Authority will work cooperatively to accomplish the following: the waiver of the Authority's right to optionally redeem the 1994A Bonds; and, concurrent with such waiver, the tender and remarketing of all or a portion of the 1994A Bonds; with the net benefit, after payment of transaction costs, to be realized therefrom (the "Net Remarketing Premium") to be available as additional revenues to be used by the Board; and

**WHEREAS**, in connection with the 1994A SFA Bond Restructuring, the Board will, pursuant to an agreement(s) with an underwriter(s) or tender agent(s), solicit tender from the holders of the 1994A Bonds prior to any optional redemption thereof; and

**WHEREAS**, in connection with the 1994A SFA Bond Restructuring, with respect to any 1994A Bonds acquired by the Board (the "Tendered SFA Bonds"), the Board will be required to consent to any supplement or modification to the Bond Resolution and the 1994A Series Resolution as required to implement such 1994A SFA Bond Restructuring; and

**WHEREAS**, in connection with the 1994A SFA Bond Restructuring, the Board will enter into an agreement to sell or re-offer the Tendered SFA Bonds, pursuant to an agreement(s) with an underwriter(s) or remarketing agent(s).

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

*1. Incorporation of Preambles.* The preambles of this Resolution are incorporated into this text as if set forth herein in full by this reference.

2. *Agreement with School Finance Authority.* It is necessary and in the best interests of the Board enter into one or more agreement(s) with the Authority, consistent with the purposes of this Resolution and subject to the terms and conditions of this Resolution, in order to effect the 1994A SFA Bond Restructuring as described in this Resolution and the President of the Board or the Chief Financial Officer of the Board (each, an "Authorized Officer") are hereby authorized to execute and deliver such agreement(s).

3. *Authorization to Purchase and Remarket Outstanding Bonds.* The Authorized Officers are authorized to solicit tenders for and to purchase and remarket the 1994A Bonds, provided that the Net Remarketing Premium to be realized by the Board from the 1994A SFA Bond Restructuring shall be not less than \$5 million.

4. *Agreement to Purchase and Remarket Tendered SFA Bonds.* The Board hereby authorizes the Authorized Officers to select one or more agents (collectively, the "Remarketing Agent") to solicit for tenders of the 1994A Bonds and to remarket the 1994A Bonds and to negotiate the terms of and execute one or more tender or remarketing agreement(s), as applicable, with such Remarketing Agent; provided that the aggregate compensation to the Remarketing Agent shall not exceed 3% of the aggregate principal amount to the Tendered SFA Bonds that are to be remarketed. Any amounts necessary to be provided by the Board in connection with the tender for and remarketing of 1994A Bonds shall be derived from legally available funds and accounts of the Board, as determined by the Chief Financial Officer.

5. *Application of Net Remarketing Proceeds.* Net Remarketing Premium shall be applied for financing or paying the costs of implementation of portions of the Board's Capital Improvement Program (or for other purposes as are determined by the Chief Financial Officer and are legally authorized and available).

6. *Headings.* Any headings preceding the texts of the several Sections of this Resolution shall be solely for convenience or reference and shall not constitute a part of this Resolution nor shall they affect its meaning, construction or effect.

7. *Further Acts.* In addition, each Authorized Officer and other officers and officials of the Board are authorized and directed to do any and all things necessary to effect the performance of all obligations of the Board under and pursuant to this Resolution and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution. Each Authorized Officer and other officers and officials of the Board are further authorized and directed for and on behalf of the Board, to execute all documents, certificates and other instruments that may be required: (i) to carry out of the authority conferred by this Resolution, (ii) to maintain the tax-exempt status of any 1994A Bonds that remain outstanding after the consummation of the 1994A SFA Bond Restructuring; or (iii) to evidence said authority and to exercise and otherwise take all necessary action to the full realization of the rights and purposes of the Board hereunder.

8. *Severability.* The provisions of this Resolution are hereby declared to be severable; and 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.

9. *Repealer.* All resolutions or parts of resolutions in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

10. *Effectiveness.* This Resolution is effective immediately upon its adoption.