

RESOLUTION PROVIDING AUTHORITY FOR THE GENERAL COUNSEL TO SETTLE THE TAX RATE OBJECTION CASES PENDING FOR THE 1999, 2000, 2001, 2002 & 2003 TAX YEARS FOR THE PURPOSE OF PRESERVING PROPERTY TAX REVENUE FOR THE 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 which is a body politic and corporate by the name of the "Board of Education of the City of Chicago" (the "School District"); and

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

WHEREAS, the Board is a taxing entity for purposes of real estate taxes levied on properties located within the geographical boundaries of the City of Chicago (the "City"); and

WHEREAS, the School District and the Board are funded, in large part, by revenue in the form of real estate taxes assessed by the Cook County Assessor and collected by the Cook County Treasurer; and

WHEREAS, the Board has heretofore determined that it is advisable, necessary and in the best interests of the School District to preserve, as much as possible actual tax revenue generated by real estate taxes on properties located within the geographical boundaries of the City; and

WHEREAS, the Board has been sued by various tax rate objectors ("Objectors") in the Circuit Court of Cook County with the Objectors claiming the Board has levied for the collection of real estate taxes in connection with certain funds which exceed the allowable tax rate for said funds in the 1999, 2000, 2001, 2002 and 2003 tax years ("tax rate objection cases");

WHEREAS, the Board denies and contests each and every claim of the Objectors in the tax rate objection cases;

WHEREAS, at certain terms and conditions, it is in the Board's best interests to avoid the uncertainties, costs and risks of protracted litigation and settle all or any one of the tax rate objection cases; and

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 hereby incorporated into this text as if set out herein in full.

2. Settlement of Tax Rate Objection Cases. The General Counsel is authorized to settle at any time prior to trial all or any one of the tax rate objection cases on terms the General Counsel deems appropriate at the General Counsel's discretion. The General Counsel is authorized to appoint attorneys to represent the Board in this matter and to perform the acts described above.

3. Further Acts. Each of the General Counsel, Chief Financial Officer, Chief Purchasing Officer or Chief Operating Officer (the "Designated Officials") is 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 tax rate objection cases, including, but not limited to, hiring and retaining such expert testimony and consultant assistance needed to defend and/or settle the tax rate objection cases. All actions of any Designated Official that is in conformity with the purposes and intent of this Board Report are hereby in all respects ratified, approved, and confirmed.

4. 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.

5. Repealer and Effective Date. This Resolution is effective immediately upon its adoption.