

RESOLUTION AMENDING RESOLUTION 17-0828-RS6 AUTHORIZING THE ISSUANCE OF UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO FOR THE PURPOSE OF PAYING THE COST OF REFUNDING OUTSTANDING BONDS OF SAID BOARD OF EDUCATION AND REPEALING RESOLUTION 16-1026-RS2

WHEREAS, pursuant to the provisions of Article 34 of the School Code, 105 Illinois Compiled Statutes 5 (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, on October 26, 2016, the Board adopted Resolution No. 16-1026-RS2 entitled: "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"; and

WHEREAS, on August 28, 2017, the Board adopted Resolution No. 17-0828-RS6 entitled: "Resolution Providing For the Issue of One or More Series of Unlimited Tax General Obligation Refunding Bonds of the Board of Education of the City of Chicago in an Aggregate Principal Amount Not to Exceed \$385,000,000 For the Purpose of Paying the Cost of Refunding Outstanding Bonds of Said Board of Education" (the "**Bond Resolution**") which authorized the Board to issue one or more series of its General Obligation Refunding Bonds for the purpose of refunding outstanding general obligation bonds of the School District issued as "alternate bonds" pursuant to Section 15 of the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350 (the "**Outstanding Bonds**") and the restructuring of the debt service payable on such Outstanding Bonds; and

WHEREAS, subsequent to the adoption of the Bond Resolution, the manner pursuant to which the State of Illinois provides State aid to the Board was materially revised pursuant to the adoption of Illinois Public Act 100-465; and

WHEREAS, the Board has determined that it is necessary and in the best interest of the School District and the Board in connection with the authorization and sale of refunding bonds to consolidate existing authorizations, to repeal Resolution No. 16-1026-RS2 and to increase the principal amount of bonds authorized to be issued under the Bond Resolution; and

WHEREAS, the Board has determined and does hereby determine that it is necessary and in the best interest of the School District and the Board that the maximum aggregate principal amount of Bonds (as defined in the Bond Resolution) authorized by the Bond Resolution be increased from \$385,000,000 to \$745,000,000 and that the Board repeal the authorization of \$160,000,000 principal amount of bonds previously provided by Resolution 16-1026-RS2; and

WHEREAS, the Board has determined and does hereby determine that it is necessary and in the best interest of the School District and the Board that the Board affirm the adoption of the Bond Resolution, and to amend and to supplement certain provisions of the Bond Resolution as set forth herein.

NOW, THEREFORE, Be It 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 preambles of this Resolution are hereby incorporated into this text as if set out herein in full. Capitalized terms used in this Resolution without definition have the meanings ascribed to such terms in the Bond Resolution.

Section 2. Adoption of the Bond Resolution. The Board hereby affirms the adoption of the Bond Resolution, all provisions of which are considered adopted as of the date hereof, subject to further amendment by this Resolution.

Section 3. Confirmation of Sufficiency of Pledged Revenues. Taking into account that pursuant to amendments provided by this Resolution, the principal amount of Bonds authorized to be issued pursuant to the Bond Resolution is increased from \$385,000,000 to \$745,000,000 and the authorization of \$160,000,000 principal amount of bonds previously provided by Resolution 16-1026-RS2 is repealed, the Board hereby confirms the determination contained in Section 2(b) of the Bond Resolution that the Pledged Revenues, as adjusted by Public Act 100-465, will be sufficient to provide in each year an amount not less than 1.10 times annual debt service on the Bonds to be paid from Pledged

Revenues that constitute governmental revenue sources and 1.25 times annual debt service on the Bonds to be paid from Pledged Revenues that do not constitute a governmental revenue source.

Section 4. Maximum Principal Amount Increased. The aggregate principal amount authorized to be borrowed and the maximum aggregate principal amount of Bonds authorized to be issued is increased from \$385,000,000 to \$745,000,000 and Resolution 16-1026-RS2 authorizing \$160,000,000 principal amount of bonds is hereby repealed. Section 2(a) of the Bond Resolution is hereby amended by replacing the amount of \$385,000,000 with the amount of \$745,000,000, in the first sentence and the second sentence of said Section 2(a).

Section 5. Statutory Refunding Bonds. The Outstanding Bonds that may be refunded in whole or in part by the issuance of Statutory Refunding Bonds pursuant to the Bond Resolution is hereby revised to add any one or more of (1) the Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues) Series 2011C-1 of the Board authorized pursuant to the 2009 Authorization and Resolution No. 11-1026-RS4 and payable from and secured by a lien on and pledge of the 2009 Pledged Revenues; (2) the Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues) Series 2013A-1, of the Board authorized pursuant to the Resolution No. 08-0227-RS13 (the "**2008 Authorization**") and Resolution No. 13-0403-RS1 and 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, as amended by Public Act 100-465, or such other successor or replacement act as may be enacted (the "**2008 Pledged Revenues**"); (3) the Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2007B and Series 2007C of the Board (the "**Series 2007 Bonds**") authorized pursuant to the 2006 Authorization and Resolution No. 07-0725-RS4 and payable from and secured by a pledge of and lien on (a) the amounts allocated and paid to the Board from the Personal Property Tax Replacement Fund of the State 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 ("**PPRT Revenues**") received or to be received by the Board in any year remaining after any required allocation thereof to provide for the payment of (i) the statutory claims that are required to be paid from PPRT Revenues and (ii) the Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1996 of the Board and the Unlimited Tax General Obligation Bonds (Dedicated Tax

Revenues), Series 1997 of the Board (the "**Pledged PPRT Revenues**") and (b) the amount paid to the Board pursuant to the Intergovernmental Agreement dated as of October 1, 1997, by and between the Board and the City of Chicago, as from time to time amended and supplemented (the "**Intergovernmental Agreement Revenues**"); and (4) the Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2005B of the Board (the "**Series 2005 Bonds**") authorized pursuant to Resolution No. 05-0525-RS4 and payable from and secured by a pledge of and lien on the Pledged PPRT Revenues.

As used in the Bond Resolution, the term "Statutory Refunding Pledged Revenues" is hereby revised to include the 1998 Pledged Revenues, the 2006 Pledged Revenues, the 2008 Pledged Revenues, the 2009 Pledged Revenues, the Pledged PPRT Revenues and the Intergovernmental Agreement Revenues. The reference in the Bond Resolution are hereby revised to reflect that the 2008 Pledged Revenues and the 2009 Pledged Revenues each constitute a "governmental revenue source" pursuant to the Debt Reform Act.

In the Bond Resolution, reference to Article 18 of the School Code means Article 18 of the School Code, as amended by Public Act 100-465, and any provisions of the School Code added by Public Act 100-465 that replace provisions of Article 18 relating to State Aid payments in effect on the date of adoption of the Bond Resolution.

Section 6. Annual Tax Levy Amounts Revised. For the purpose of providing "Pledged Debt Service Taxes" as defined in Section 3 of the Bond Resolution, sufficient to provide for the punctual payment of the principal of and interest on the Bonds, Section 3(a) of the Bond Resolution is amended to read as follows:

"(a) For the purpose of providing funds in addition to the Pledged Revenues to pay the principal of and interest on the Bonds issued to refund the Series 2011C-1 Bonds, the Series 2011C-2 Bonds, the Series 2013A-1 Bonds, the Series 2013A-2 Bonds and the Series 2015G Bonds (the "**Series 2017C Bonds**"), there is hereby levied upon all of the taxable property within the School District, in the years for which any of such Bonds are outstanding, a direct annual tax for each of the years while such 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:

2017	\$23,840,205
2018	44,688,494
2019	43,940,994
2020	43,161,744
2021	42,361,494
2022	51,565,494
2023	50,122,744
2024	44,114,744
2025	37,039,244
2026	36,305,494
2027	35,485,494
2028	34,559,281
2029	33,608,688
2030	31,174,250
2031	17,509,469
2032	16,983,919
2033	16,421,831

For the purpose of providing funds in addition to the Pledged Revenues to pay the principal of and interest on the Bonds issued to refund the Series 2015A Bonds (the “**Series 2017D Bonds**”), there is hereby levied upon all of the taxable property within the School District, in the years for which any of such Bonds are outstanding, a direct annual tax for each of the years while such 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:

2017	\$9,230,783
2018	14,435,750
2019	14,326,500
2020	14,239,250
2021	14,102,500
2022	13,958,250
2023	13,846,500
2024	13,635,250
2025	13,489,000
2026	13,314,250
2027	12,977,000
2028	12,835,000
2029	12,643,500
2030	11,604,500

For the purpose of providing funds in addition to the Pledged Revenues to pay the principal of and interest on the Bonds issued to refund the Series 2005 Bonds (the “**Series 2017E 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:
2017	\$1,136,750
2018	1,136,750
2019	1,136,750
2020	23,871,750

For the purpose of providing funds in addition to the Pledged Revenues to pay the principal of and interest on the Bonds issued to refund the Series 2007 Bonds (the "**Series 2017F 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:
2017	\$8,883,950
2018	25,721,831
2019	33,201,594
2020	33,199,506
2021	33,203,225
2022	38,394,200
2023	38,385,300

For the purpose of providing funds in addition to the Pledged Revenues to pay the principal of and interest on the Bonds issued to finance the restructuring (the "**Series 2017G 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:
2017	\$30,000,000
2018	30,000,000
2019	30,000,000
2020	30,000,000
2021	30,000,000
2022	30,000,000
2023	30,000,000
2024	30,000,000
2025	30,000,000
2026	30,000,000
2027	30,000,000
2028	30,000,000
2029	30,000,000
2030	50,000,000
2031	50,000,000
2032	50,000,000
2033	50,000,000
2034	50,000,000
2035	50,000,000
2036	50,000,000
2037	50,000,000
2038	50,000,000
2039	50,000,000
2040	50,000,000
2041	50,000,000
2042	50,000,000
2043	50,000,000
2044	50,000,000
2045	50,000,000

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 Debt Service Taxes**”).”

Section 7. Resolution 16-1026-RS2 Repealed. Resolution 16-1026-RS2 adopted by the Board on October 26, 2016 is repealed.

Section 8. 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 execution and delivery of an Agreement with Ambac Assurance Corporation ("**AMBAC**") in connection with the refunding of the Series 2005 Bonds and the Series 2007 Bonds that would provide the Board with additional funds from AMBAC with which to accomplish the refunding, and the exercise, following the delivery date of the Bonds, of any power or authority delegated to such official under the Bond 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. Additionally, if it is deemed economically advantageous for the Board to issue revenue bonds in place of Alternate Bonds to refund the Series 2005 Bonds and the Series 2007 Bonds, the Board hereby approves such alternative structure.

All actions of the officials or officers of the Board that are in conformity with the purposes and intent of the Bond Resolution, as amended by this Resolution, are hereby in all respects ratified, approved, and confirmed.

Section 9. 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.

Section 10. Effectiveness of Bond Resolution and Effective Date. Except as amended by this Resolution, the provisions of the Bond Resolution are affirmed and remain in full force and effect. This Resolution is effective immediately upon its adoption.