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BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

ADOPTED
BOARD OF TRUSTEES OF
COMMUNITY COLLEGE DISTRICT NO. 508

MAY 8 2003

COUNTY OF COOK
AND STATE OF ILLINOIS

RESOLUTION

AUTHORIZING AND PROVIDING FOR THE EXECUTION
OF A BOND WARRANT AGREEMENT AND THE
ISSUANCE AND DELIVERY OF REFUNDING REVENUE
BONDS BY COMMUNITY COLLEGE DISTRICT NO. 508,
COUNTY OF COOK AND STATE OF ILLINOIS, IN AN
AGGREGATE PRINCIPAL EQUAL TO \$27,645,000.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT
NUMBER 508, COUNTY OF COOK AND STATE OF ILLINOIS, AS FOLLOWS:

WHEREAS, the Community College District Number 508, County of Cook and
State of Illinois (the "District") previously issued its Refunding Revenue Bonds, Series
1995 (Taxable) (the "Prior Bonds"), pursuant to: a Resolution adopted by the Board of
Trustees (the "Board") of the District on December 1, 1995; the Local Government Debt
Reform Act of the State of Illinois, as amended (the "Debt Reform Act"); and the Public
Community College Act, as amended (specifically by Public Act 89-281, approved and
effective August 10, 1995) (the "Community College Act");

WHEREAS, the Prior Bonds in the aggregate principal amount of \$27,645,000
maturing on or after May 1, 2007 (as described on Exhibit A attached hereto) are
subject to redemption prior to maturity at the option of the District, on or after May 1,
2006 (the "Call Date");

WHEREAS, the Board has considered that interest rates may rise prior to the Call
Date and has been apprised of a financial services product, hereinafter more fully
described and defined as the "Bond Warrant Agreement," by which the District could

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sell a financial institution an option (the "Option") to purchase refunding bonds (the "Refunding Revenue Bonds") issued for the purpose of refunding the outstanding Prior Bonds on the Call Date in exchange for the payment of a sum of money from the financial institution upon the execution and delivery of the Bond Warrant Agreement and the payment of a sum of money upon the issuance and delivery of the Refunding Revenue Bonds;

WHEREAS, if the Option is exercised pursuant to the terms of the Bond Warrant Agreement, the District would be required, to the extent permitted by law, to issue, sale and deliver the Refunding Revenue Bonds to the financial institution;

WHEREAS, the Board has determined that, in order to realize the maximum benefit from entering into the Bond Warrant Agreement to effect such refunding, it is advisable and in the best interest of the District to request bids from several financial institutions to serve as purchaser of the Refunding Revenue Bonds thereunder;

WHEREAS, pursuant to the Community College Act, the District is authorized to issue the Refunding Revenue Bonds for such purpose and the Board hereby determines that it is in the best interests of the District to (i) provide for the execution and delivery of the Bond Warrant Agreement to the Purchaser; and (ii) in order to accommodate the same, simultaneously provide for the sale and delivery of the Refunding Revenue Bonds to meet the District's obligations under the Bond Warrant Agreement if the option is exercised;

WHEREAS, subsequent to the execution and the delivery of the Bond Warrant Agreement, the District may determine to issue and deliver, in lieu of the Refunding Revenue Bonds, bonds known as "alternate bonds" ("Refunding Alternate Bonds"), in

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accordance with the provisions of the Debt Reform Act; provided that: personal property replacement tax revenues would be the identified "revenue source" for purposes of the "alternate bond" provisions of the Debt Reform Act; and that such Refunding Alternate Bonds could be issued only after the District had complied with the "backdoor referendum" requirements of the Debt Reform Act and subsequently adopted a bond resolution specifically authorizing the issuance of such Refunding Alternate Bonds; and

WHEREAS, the Bond Warrant Agreement will permit the District, at its sole discretion, to issue and deliver Refunding Alternate Bonds in lieu of Refunding Revenue Bonds;

NOW, THEREFORE, Be It and It is Hereby Resolved by the Board of Trustees of Community College District Number 508, County of Cook and State of Illinois, 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. *Determination to Execute and Deliver the Bond Warrant Agreement and Sell, Issue, and Deliver the Bonds.* It is necessary and in the best interests of the Board and the residents of the District to provide for the execution and delivery of the Bond Warrant Agreement and, in the event the option sold thereunder is exercised, to provide for the sale, issuance, and delivery of the Refunding Revenue Bonds (or, in lieu thereof, the Refunding Alternate Bonds), the proceeds of which would be used to redeem the Prior Bonds maturing on or after May 1, 2007, as described in Exhibit A (the "Refunding").

3. *Authorization to Sell, Issue and Deliver the Refunding Revenue Bonds.*

For the purpose of effecting the Refunding, the issuance, sale and delivery of the Refunding Revenue Bonds in an aggregate principal amount equal to \$27,645,000 are hereby authorized and approved. The Refunding Revenue Bonds shall mature in such principal amounts and on such dates as the Prior Bonds and shall bear interest at such rates per annum as the Prior Bonds. The Refunding Revenue Bonds shall be further secured by a debt service reserve account funded by cash, a surety bond or some other form of debt service reserve instrument, or a combination thereof, as set forth in the Indenture (as described in Section 6). The Refunding Revenue Bonds shall otherwise have such details and provisions as prescribed by the Indenture and the form of the Refunding Revenue Bonds set forth in the Indenture.

4. *Limited Obligations of the District.* The Refunding Revenue Bonds, together with interest thereon, shall be special, limited obligations of the District. The Refunding Revenue Bonds and the interest thereon shall not be deemed to constitute a general obligation of the District, the City of Chicago, the State of Illinois or any political subdivision thereof. The nature of the obligations represented by the Refunding Revenue Bonds is more fully set forth in the Indenture.

5. *Execution and Delivery of the Bond Warrant Agreement.* The Chairman and the Vice Chancellor for Finance/CFO (the "Designated Officials") are hereby authorized to use the form of bid documents (the "Bid Documents"), hereby approved substantially in the form attached hereto as Exhibit B, to request offers from several financial institutions to purchase the Option under the Bond Warrant Agreement. The Designated Officials are hereby further authorized to select the financial institution

providing the best offer (the "Purchaser"); provided, however, the Option shall be sold at the net price (after provision of the payment of expenses) of not less than \$800,000. The Bond Warrant Agreement is hereby approved in substantially the form attached hereto as Exhibit C, as presented to this meeting, subject to such completions and revisions as may be approved by the Designated Officials, with the approval and consent of the District's counsel and Bond Counsel. The Designated Officials are hereby authorized to execute and deliver the Bond Warrant Agreement to the Purchaser upon the terms prescribed in this Section. Further, the Designated Officials are hereby authorized to proceed to execute and deliver or cause the execution and delivery of the items required by the Bond Warrant Agreement and any and all related documents.

6. *Approval and Execution of Indenture.* The Indenture (the "Indenture") authorizing the issuance of the Refunding Revenue Bonds is hereby approved in substantially the form of Exhibit D, as presented to this meeting, and the Chairman or the Treasurer of the District is hereby authorized and directed to execute, acknowledge and deliver the Indenture, on behalf of the District, attested by the Secretary or Assistant Secretary, with such changes, insertions and completions therein as shall be approved by the Chairman and Treasurer (subject to the limitations set forth in this Resolution), their execution to constitute conclusive evidence of such approvals, and the Secretary and Assistant Secretary are hereby authorized and directed to affix the corporate seal of the District to the Refunding Revenue Bonds.

7. *Appointment of Trustee.* The appointment of Seaway National Bank of Chicago as Trustee under the Indenture is hereby authorized, approved and confirmed.

8. *Execution; Authentication.* The Refunding Revenue Bonds shall be executed and authenticated on behalf of the District in the manner provided in the Indenture. If any of the officials or officers who shall have signed or sealed any said Refunding Revenue Bonds shall cease to be such officials or officers of the District before the Refunding Revenue Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the District, such Refunding Revenue Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as through the person or persons who signed or sealed such Refunding Revenue Bonds had not ceased to be such official or officials or officer or officers of the District; and also any such Refunding Revenue Bonds may be signed and sealed on behalf of the District by those persons who, at the actual date of the execution of such Refunding Revenue Bonds, shall be the proper officials or officers of the District, although at the nominal date of such Refunding Revenue Bonds any such person shall not have been such official or officer of the District.

9. *Escrow Agreements.* An Escrow Agreement (the "Bonds Proceeds Escrow Agreement"), between the District and an escrow agent to be jointly selected by the Designated Officials (the "Escrow Agent"), providing for the deposit and investment of the proceeds of the Refunding Revenue Bonds and the deposit of other funds of the District until such proceeds and funds are used for the Refunding is hereby authorized and the Designated Officials are hereby jointly authorized and directed to execute and deliver the Bonds Proceeds Escrow Agreement on behalf of the District.

An Escrow Agreement (the "Premium Proceeds Escrow Agreement"), between the District and the Escrow Agent, providing for the deposit and investment of

the proceeds of the premium to be paid in connection with the Refunding Alternate Bonds, if issued, until such proceeds are released as described in the Bond Warrant Agreement is hereby authorized and the Designated Officials are hereby jointly authorized and directed to execute and deliver the Premium Proceeds Escrow Agreement on behalf of the District.

10. *Official Statement.* An official statement (the "Official Statement") substantially in the form of the official statement used in connection with the Prior Bonds with such revisions as may be necessary to describe the Refunding Revenue Bonds, the Refunding and the District, at the time the Refunding Revenue Bonds are issued, is hereby approved and the Designated Officials are hereby jointly authorized and directed to execute and deliver the Official Statement on behalf of the District with such changes, insertions and completions therein as shall be approved jointly by the Designated Officials (subject to the limitations set forth in this resolution), their execution to constitute conclusive evidence of such approvals. The distribution of the Official Statement in preliminary and final form is hereby approved.

11. *Continuing Disclosure Undertaking.* A continuing disclosure undertaking substantially in the form of the continuing disclosure undertaking used in connection with the Prior Bonds is hereby authorized, such undertaking to demonstrate compliance by the District with Securities and Exchange Commission Rule 15c2-12 upon the issuance of the Refunding Revenue Bonds. The Vice Chancellor for Finance/CFO is hereby authorized and directed to execute and deliver such a continuing disclosure undertaking on behalf of the District, with such changes, insertions and completions

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therein as shall be approved by the Vice Chancellor for Finance/CFO, his execution of such undertaking to constitute conclusive evidence of such approval.

12. *Personal Property Replacement Tax Funds.* The Treasurer is authorized and directed to file with the State Department of Revenue (the "Department") a direction, pursuant to Section 13 of the State Revenue Sharing Act (30 ILCS 115/13), directing the Department to pay all personal property replacement tax funds payable to the District to the escrow account established at the Trustee, pursuant to the above-described Indenture, for the payment of the Refunding Revenue Bonds, provided that such Refunding Revenue Bonds are issued pursuant to the terms of the Bond Warrant Agreement.

13. *Miscellaneous.* In addition, in connection with the issuance of the Bonds, the Chairman, Vice Chancellor for Finance/CFO, Treasurer, Secretary, Assistant Secretary and General Counsel are each authorized and directed to do any and all things necessary to effect the performance of all obligations of the District under and pursuant to this Resolution and the Indenture, the execution and delivery of the Refunding Revenue Bonds and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution and by the Indenture. The Chairman, Vice Chancellor for Finance/CFO, Treasurer, Secretary, Assistant Secretary and General Counsel are further authorized and directed for and on behalf of the District, to execute all documents, certificates and other instruments that may be required under the terms of the Indenture, the Bond Warrant Agreement, the Official Statement and the Continuing Disclosure Agreement that may be required for the carrying out of the authority conferred by this Resolution or to evidence said

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authority and to exercise and otherwise take all necessary action to the full realization of the rights and purposes of the District under the Indenture, the Bond Warrant Agreement, the Official Statement and the Continuing Disclosure Agreement and to discharge all of the obligations of the District hereunder and thereunder.

14. *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.

15. *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.

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Exhibit A

Prior Bonds

<u>Maturity May 1</u>	<u>Amount</u>	<u>Interest Rate %</u>
2007	\$ 2,370,000	6.60%
2008	2,500,000	6.70
2009	2,675,000	6.80
2010	2,850,000	6.90
2012	6,200,000	7.00
2015	11,050,000	7.00

Exhibit B
Bid Documents

Exhibit C
Bond Warrant Agreement

Exhibit D
Indenture

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified Secretary of Community College District Number 508, County of Cook and State of Illinois (the "Issuer"), and that as such official I do further certify that the foregoing is a full, true and complete copy of a resolution entitled:

RESOLUTION AUTHORIZING AND PROVIDING FOR THE EXECUTION OF A BOND WARRANT AGREEMENT AND THE ISSUANCE AND DELIVERY OF REFUNDING REVENUE BONDS BY COMMUNITY COLLEGE DISTRICT NUMBER 508, COUNTY OF COOK AND STATE OF ILLINOIS, IN AN AGGREGATE PRINCIPAL AMOUNT EQUAL TO \$27,645,000.

Duly adopted by the Issuer on the 8th day of May, 2003; that all necessary action of the Issuer relating to said resolution has been taken, is in full force and effect and has not been amended, modified or supplemented; and that said resolution is in full force and effect and has not been amended, discharged, modified, revoked, rescinded or supplemented.

IN WITNESS WHEREOF I hereunto affix my official signature, this ____ day of _____, 200__.

Secretary, Community College District No. 508
Board of Trustees

