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RESOLUTION AUTHORIZING CERTAIN ACTIONS WITH
RESPECT TO A PREVIOUSLY EXECUTED BOND
WARRANT AGREEMENT AND OUTSTANDING
REFUNDING REVENUE BONDS AND VARIOUS ACTIONS
RELATING THERETO.

* * *

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 "Public Community College Act"); and

WHEREAS, the Board determined that it was advisable, necessary and in the best interest of the District to refund, or continue the refunding of, all or a portion of the outstanding Prior Bonds (the "Refunding"); and

WHEREAS, the District entered into a Bond Warrant Agreement, dated July 24, 2003 (the "Bond Warrant Agreement"), with J.P. Morgan Chase (previously known as Bank One, N.A.) (the "Bank"), pursuant to which the District sold the Bank a warrant (the "Warrant") giving the Bank the right to effect the Refunding; and

WHEREAS, the Board has now determined that it is in the best interest of the District to undertake one of the following: (i) with respect to the Warrant: (a) repurchase the Warrant from the Bank and terminate the Bond Warrant Agreement; or (b) allow the Bank to exercise the

Warrant and issue refunding bonds (the "Refunding Bonds"), the proceeds of which would be used to redeem the Prior Bonds (the "Warrant Alternatives"); and (ii) depending upon which of the Warrant Alternatives is selected: (x) if alternative (a) above is undertaken, either redeem or defease the Prior Bonds; and (y) if alternative (b) above is undertaken, either issue and concurrently defease the Refunding Bonds or issue but not concurrently defease the Refunding Bonds (collectively, the "Refinancing Alternatives"); and

WHEREAS, the District previously established a working cash fund pursuant to Section 3-33.1 of the Public Community College Act (the "Working Cash Fund") for the purposes of set forth therein; and

WHEREAS, the Prior Bonds are reflected as a liability of the Working Cash Fund on the financial statements of the District; and

WHEREAS, pursuant to the authorization of prior resolutions of the Board, there are currently outstanding, and reflected on the financial statements of the District, inter fund loans from the Operating Funds and from the Capital Projects Fund to the Working Cash Fund (the "Inter Fund Loans"); and

WHEREAS, the Board desires to authorize the use of amounts on deposit in or attributable to the Working Cash Fund to undertake the Warrant Alternative and the Refinancing Alternative determined to be in the best interests of the District; and

WHEREAS, the District is working with its financial advisor to determine which Warrant Alternative and Refinancing Alternative is in the best interest of the District and the Board desires to delegate the authority to the Chairman and Chief Financial Officer (collectively, the "Authorized Officers") to determine and implement the Warrant Alternative and the Refinancing Alternative so determined:

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. *Warrant Alternatives.* The Authorized Officers shall determine which of the Warrant Alternatives is in the best interest of the District and shall be implemented; provided that with respect to the repurchase of the Warrant, the amount paid shall not exceed an amount determined by the Authorized Officers, in consultation with the District's financial adviser, to be consistent with the estimated value of such Warrant, determined in accordance with then-applicable conditions prevailing in the municipal bond and derivative markets.

3. *Refinancing Alternatives.* (a) Upon the determination by the Authorized Officers to repurchase the Warrant from the Bank, the District is hereby authorized to establish an escrow account with an escrow agent to be determined by the Authorized Officers (the "Escrow Agent") and to deposit sufficient amounts into such escrow account to defease (or if determined to be in the best interests of the District, redeem, including, if determined by the Authorized Officers to be in the best interests of the District, payment of any applicable redemption premium) the Prior Bonds, all in accordance with the requirements of the bond indenture pursuant to which the Prior Bonds were issued.

(b) Upon the determination by the Authorized Officers not to repurchase the Warrant from the Bank, the Authorized Officers are authorized to undertake the following actions in connection with the issuance of the Refunding Bonds, if they determine such action to be in the best interest of the District: (i) establish an escrow account with the Escrow Agent and to deposit

funds into such escrow account to defease the Refunding Bonds, all in accordance with the requirements of the bond indenture pursuant to which the Refunding Bonds are issued; and (ii) assist the Bank in the preparation of an offering document for the defeased Refunding Bonds; any such Official Statement to provide limited disclosure concerning the District as is consistent with the offering of defeased or pre-refunded bonds and otherwise to be in such form, have such content, and be delivered in such quantities and at such times as shall comply with all applicable rules and regulations of the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board, including SEC Rule 15c2-12 and MSRB Rule G-32. Alternatively, the Authorized Officers may determine that it is in the best interests of the District to proceed with the issuance and offering of the Refunding Bonds as provided for in the Bond Warrant Agreement and the resolution of the District authorizing the execution of the Bond Warrant Agreement.

(c) Amounts necessary to defease or redeem the Prior Bonds or to defease the Refunding Bonds shall be derived from funds previously on deposit in the Working Cash Fund and transferred therefrom for such purpose.

4. *Remaining Amounts of the Working Cash Fund.* Not later than May 1, 2006, the Chief Financial Officer shall report to the Board with respect to the future application of moneys remaining in the Working Cash Fund (and the appropriate and/or required legal and accounting treatment thereof), including, but not limited to, the following: (i) repayment of the Inter Fund Loans, (ii) establishing a working cash reserve (iii) transfers to fund building, acquiring, repairing and improving buildings and facilities and related purposes; and (iv) abolition of the Working Cash Fund.

5. *Determination Certificate.* The details of the (i) determination with respect to the Warrant Alternative, (ii) determination with respect to the and Refinancing Alternative, (iii) amount for repurchasing the Warrant, if applicable, and (iv) amount, if any, deposited with the Escrow Agent in connection with the Refinancing Alternative, shall be evidenced in a certificate (the "Determination Certificate"), which shall be executed by the Authorized Officers and filed with the Secretary of the Board.

6. *General.* The Chairman, Vice Chairman, Secretary and employees of the District are each hereby authorized and directed, in the name of and on behalf of the District to execute and deliver any and all instruments, to perform any and all acts, approve any and all matters, and do any and all things deemed by them to be necessary or desirable in order to carry out the purposes of this Resolution and all actions of such officers or employees heretofore or hereafter taken in conformity with the intent and purposes of this Resolution are hereby in all respects ratified, confirmed and approved.

7. *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.

8. *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)

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 "District"), 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 CERTAIN ACTIONS WITH
RESPECT TO A PREVIOUSLY EXECUTED BOND
WARRANT AGREEMENT AND OUTSTANDING
REFUNDING REVENUE BONDS AND VARIOUS ACTIONS
RELATING THERETO.

Duly adopted by the District on the ___ day of February, 2006; that all necessary action of the District 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 February, 2006.

Secretary, Community College District Number 508
Board of Trustees