

**33280**

**ADOPTED – BOARD OF TRUSTEES  
COMMUNITY COLLEGE DISTRICT NO. 508  
AUGUST 3, 2017**

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508  
COUNTY OF COOK AND STATE OF ILLINOIS**

**RESOLUTION**

**AUTHORIZING THE ISSUANCE OF \$60,000,000 TAX ANTICIPATION WARRANTS  
OF COMMUNITY COLLEGE DISTRICT NUMBER 508, COUNTY OF COOK AND  
STATE OF ILLINOIS  
OFFICE OF FINANCE**

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

**Section 1. Authority and Findings.** This resolution is adopted pursuant to the Public Community College Act, 110 Illinois Compiled Statutes 805 (the “Authorizing Act”) the Bond Authorization Act, 30 Illinois Compiled Statutes 305 and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350.

The Board of Trustees of Community College District Number 508, County of Cook and State of Illinois (the “District”) finds and determines that: (1) there is not sufficient money in the treasury of the District to meet the ordinary and necessary expenses for educational purposes of the District and for operations and maintenance of facilities purposes of the District; (2) it is necessary and advisable that warrants be ordered to be issued by the District in anticipation of the collection of the taxes levied by the District for the year 2017; (3) no warrants have previously been issued by the District in anticipation of the taxes levied by the District for the year 2017 and no tax anticipation notes or tax anticipation warrants of the District are outstanding; (4) warrants shall be ordered, authorized and issued by the District pursuant to the Authorizing Act, the Bond

Authorization Act and the Local Government Debt Reform Act as provided by this resolution and (5) the warrants ordered and authorized by this resolution may be issued in one or more series from time to time.

**Section 2. Authorization and Terms of Warrants.** Pursuant to the provisions of Article VII the Authorizing Act, the Bond Authorization Act and the Local Government Debt Reform Act, \$60,000,000 principal amount of tax anticipation warrants of the District are ordered and authorized to be issued to meet the ordinary and necessary expenses for educational purposes of the District and for operations and maintenance of facilities purposes of the District, all as specified in Section 805/7-21 and Section 805/7-22 of the Authorizing Act. Said warrants are to be drawn against and issued in anticipation of the collection of the taxes levied for the year 2017 for said purposes (the "2017 Taxes").

Said Warrants shall be designated "Tax Anticipation Warrants, Series 2017" (herein called the "Warrants") may include an additional designation to identify each issue, and shall be issuable in the denominations of \$5,000 or any integral multiple thereof. The Warrants shall bear numbers assigned for (i) order of issuance and (ii) warrant registration. Each Warrant, upon initial issuance, shall be assigned an order-of-issuance number, from 1 upwards, each \$5,000 portion of a Warrant bearing an assigned order-of-issuance number. In addition, each Warrant upon initial issuance or upon transfer or exchange shall bear a registration number, numbered 1 and upwards, for each such Warrant authenticated. The Warrants may bear such additional identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of the Warrants. Unless otherwise determined in the order to authenticate the Warrants, each Warrant delivered upon the original issuance of the Warrants shall be dated as

of its date of original issuance. Each Warrant thereafter issued upon any transfer or exchange of Warrants shall be dated so that no gain or loss of interest shall result from such transfer or exchange.

The Warrants shall mature on or prior to October 2, 2018 and shall bear interest from their date payable in lawful money of the United States of America on the maturity date of the Warrants. The interest rate of any Warrant may be a fixed rate or a variable rate. Authority is hereby delegated to the Vice Chancellor of Finance and Business Enterprises/CFO of the District (the "CFO") to determine (i) the principal amount of each series of Warrants, provided however that the aggregate principal amount of Warrants issued shall not exceed the lesser of (A) \$60,000,000 and (B) 85% of the taxes levied for the 2017 tax levy year for educational purposes of the District and for operation and maintenance of facilities purposes of the District; (ii) the maturity date of each Warrant, provided however that no Warrant shall mature earlier than the maturity date of any previously issued and outstanding Warrant, and (iii) the interest rate of each Warrant, provided however that such interest rate shall not exceed nine percentum (9%) per annum and (iv) the provisions, if any, with respect to the redemption of the Warrants prior to their maturity at the option of the District.

The principal of and interest on Warrants of the same series shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the corporate trust office of a bank, trust company or national banking association appointed by the CFO to act as the warrant registrar and paying agent for such series of the Warrants.

If the CFO determines that one or more Warrants shall be subject to redemption prior to maturity, then the redemption provisions set forth in this Section shall be fully effective with

respect to such Warrants. Such Warrants shall be subject to redemption prior to maturity at the option of the District and upon notice as herein provided, as a whole or in part, on such dates as shall be determined by the CFO prior to the issuance of such Warrants, at a redemption price equal to the principal amount thereof to be redeemed. In the event of the redemption of less than all the Warrants subject to redemption, the aggregate principal amount thereof to be redeemed shall be \$5,000 or an integral multiple thereof and the warrant registrar shall select the Warrants to be redeemed in numerical order of the order of issuance numbers of the Warrants.

Notice of the redemption of Warrants shall be mailed not less than 20 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of Warrants to be redeemed at their last addresses appearing on said registration books. The Warrants or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Warrants or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such Warrants or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a Warrant, the District shall execute and the warrant registrar shall authenticate and deliver, upon the surrender of such Warrant, without charge to the owner thereof, for the unredeemed balance of the Warrant so surrendered, Warrants of like maturity and of the denomination of \$5,000 or any integral multiple thereof.

The warrant registrar shall not be required to transfer or exchange any Warrant after notice of the redemption of all or a portion thereof has been mailed. The warrant registrar shall not be required to transfer or exchange any Warrant during a period of 15 days next preceding the mailing of a notice of redemption which could designate for redemption all or a portion of such Warrant.

**Section 3. Sale and Delivery.** Each series of Warrants shall be sold to PNC Bank, National Association (the “Purchaser”). Authority is delegated to the CFO (A) to sell and award a particular series of the Warrants to the Purchaser, provided that the purchase price paid by the Purchaser for the purchase of such Warrants shall not be less than 99% of the principal amount of such Warrants issued and (B) to enter into one or more agreements with the Purchaser setting forth additional terms of the Warrants (each a “Purchase Agreement”).

The Chair and Secretary of the Board of Trustees, the CFO and other officials of the District are hereby authorized and directed to do and perform, or cause to be done or performed for or on behalf of the District each and every thing necessary for the issuance of the Warrants, including the proper execution and delivery of each Warrant, and each Purchase Agreement by and between the District and the Purchaser.

**Section 4. Execution and Authentication.** Each Warrant shall be executed in the name of the District by the manual or facsimile signatures of the Chair and Secretary of the Board of Trustees of the District.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any Warrant shall cease to hold such office before the issuance of the Warrants, such Warrant shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature,

or a facsimile thereof, appears on such Warrant had not ceased to hold such office. Any Warrant may be signed on behalf of the District by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such Warrant such person may not have held such office. No recourse shall be had for the payment of any Warrant against any officer who executes the Warrants.

Each Warrant shall bear thereon a certificate of authentication executed manually by the warrant registrar. No Warrant shall be entitled to any right or benefit under this resolution or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the warrant registrar.

**Section 5. Payment and Security.** The Warrants are limited obligations of the District payable solely from the 2017 Taxes. The 2017 Taxes are hereby assigned and pledged as security for the payment of the Warrants. The District reserves the right to issue additional warrants pursuant to the Authorizing Act and in anticipation of the collection of the 2017 Taxes.

The Warrants shall show upon their face that they are payable in the numerical order of their issuance solely from the 2017 Taxes when collected, and shall be received by any collector of taxes in payment of the taxes against which they are issued, and such taxes shall be set apart and held for their payment.

The moneys deposited or to be deposited into the Payment Account established by Section 7 of this resolution, including the tax receipts derived from the 2017 Taxes, are pledged as security for the payment of the principal of and interest on the Warrants. The pledge is made pursuant to Section 13 of the Local Government Debt Reform Act and shall be valid and binding from the date of issuance of the Warrants. All such tax receipts and the moneys held in the

Payment Account shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District irrespective of whether such parties have notice thereof.

Pursuant to Section 20-90 of the Property Tax Code, 35 Illinois Compiled Statutes 200/20-90, the District may provide for the direct deposit of the 2017 Taxes into a designated escrow account established by the CFO under a Direct Deposit Escrow Agreement with a bank, trust company or national banking association selected by the CFO to act as escrow agent for the collected 2017 Taxes and may direct the County Collector of Cook County, Illinois and the County Collector of DuPage County, Illinois to deposit the 2017 Taxes directly to the designated escrow account.

**Section 6. Form of Warrants.** The Warrants shall be issued as fully registered warrants and shall be in substantially the following form, the blanks to be appropriately completed when the Warrants are printed:

(Form of Warrant)

Registered Number: \_\_\_\_\_

Order of Issuance Numbers: \_\_\_\_\_

United States of America  
State of Illinois  
Community College District Number 508,  
County of Cook and State of Illinois  
Tax Anticipation Warrants,  
[First] Series 2017

Maturity Date	Interest Rate	Dated Date	CUSIP
_____, 20__			

REGISTERED OWNER: [Cede & Co.]

PRINCIPAL AMOUNT:

COMMUNITY COLLEGE DISTRICT NUMBER 508, COUNTY OF COOK AND STATE OF ILLINOIS, a community college district duly organized and existing under the laws of the State of Illinois, acknowledges itself indebted and for value received hereby promises to pay, solely from the funds hereinafter described, to the registered owner of this warrant, or registered assigns, the principal amount specified above on the maturity date specified above, and to pay interest on such principal amount from the date hereof at the interest rate per annum specified above, computed on the basis of [a 360 day year consisting of twelve 30 day months] and payable at maturity and until the principal amount shall have been paid, to the registered owner at the address of such owner appearing on the registration books maintained by the District for such purpose at the corporate trust office of \_\_\_\_\_, in the City of \_\_\_\_\_, Illinois, as warrant registrar or its successor (the "Warrant Registrar").

This warrant, as to principal and interest, when due, will be payable in lawful money of the United



States of America upon presentation and surrender of this warrant at the corporate trust office of the Warrant Registrar.

This warrant is one of a series of warrants (the “\_\_\_\_\_ Series Warrants”) issued in the aggregate principal amount of \$\_\_\_\_\_, which are authorized and issued under and pursuant to Article VII of the Public Community College Act, 110 Illinois Compiled Statutes 805 (the “Authorizing Act”), the Bond Authorization Act, 30 Illinois Compiled Statutes 305 and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and by virtue of a resolution adopted by the Board of Trustees of the District on August 3, 2017 (the “Resolution”). Pursuant to the Resolution, the District is authorized to issue \$60,000,000 principal amount of warrants. The \_\_\_\_\_ Series Warrants and any additional warrants issued pursuant to the Resolution are herein collectively called the “Warrants.”

The Warrants are issued to provide funds for the payment of ordinary and necessary expenses for educational purposes of the District and for operations and maintenance of facilities purposes of the District as specified in the Authorizing Act. The Warrants are payable solely from the taxes levied by the District for the year 2017 for said purposes (the “2017 Taxes”), which taxes have been pledged and assigned to the payment of the Warrants. This Warrant shall be received by any collector of taxes in payment of the taxes against which it is issued and such taxes, when collected, shall be set apart and held for the payment of the Warrants.

The Warrants and each \$5,000 portion of a Warrant are numbered consecutively in the numerical order of their issuance and are payable, both principal and interest, in the numerical order of their issuance beginning with the Warrant or portion thereof having the lowest order of issuance number.

[The \_\_\_\_\_ Series Warrants are subject to redemption prior to maturity at the option of the District and upon notice as herein provided, in the numerical order of their issuance, on \_\_\_\_\_, 20\_\_ and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.]

[Notice of the redemption of \_\_\_\_\_ Series Warrants will be mailed not less than 20 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of the \_\_\_\_\_ Series Warrants to be redeemed at their last addresses appearing on such registration books. The \_\_\_\_\_ Series Warrants or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the \_\_\_\_\_ Series Warrants or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such \_\_\_\_\_ Series Warrants or portions thereof shall cease to accrue and become payable.]

This \_\_\_\_\_ Series Warrant is transferable only upon such registration books by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender hereof at the principal corporate trust office of the Warrant Registrar together with a written instrument of transfer satisfactory to the Warrant Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered \_\_\_\_\_ Series Warrant or Warrants, in the authorized denominations of \$5,000 or any integral multiple thereof and of the same aggregate principal amount, maturity and having the same order of issuance

numbers as this \_\_\_\_\_ Series Warrant shall be issued to the transferee in exchange therefor. In like manner, this \_\_\_\_\_ Series Warrant may be exchanged for an equal aggregate principal amount of \_\_\_\_\_ Series Warrants of the same maturity and order of issuance numbers and of any of such authorized denominations. The District or the Warrant Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this \_\_\_\_\_ Series Warrant. No other charge shall be made for the privilege of making such transfer or exchange. The District and the Warrant Registrar may treat and consider the person in whose name this \_\_\_\_\_ Series Warrant is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes whatsoever.

This \_\_\_\_\_ Series Warrant shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Warrant Registrar.

It is hereby certified, recited and declared that this Warrant is issued in part pursuant to the Local Government Debt Reform Act, that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this \_\_\_\_\_ Series Warrant in order to make it a legal, valid and binding obligation of the District have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of Warrants of which this \_\_\_\_\_ Series Warrant is one, together with all other indebtedness of the District, is within every debt or other limit prescribed by law.

IN WITNESS WHEREOF, Community College District Number 508, County of Cook and State of Illinois, has caused this \_\_\_\_\_ Series Warrant to be executed in its name and on its behalf by the manual or facsimile signatures of the Chair and Secretary of the Board of Trustees of the District.

Date: \_\_\_\_\_

CERTIFICATE OF AUTHENTICATION

This Warrant is one of the Tax Anticipation Warrants, \_\_\_\_\_ Series 2017, described in the within mentioned resolution.

COMMUNITY COLLEGE DISTRICT NUMBER 508, COUNTY OF COOK AND STATE OF ILLINOIS

\_\_\_\_\_  
Chair of the Board of Trustees

\_\_\_\_\_  
as Warrant Registrar

\_\_\_\_\_  
Secretary of the Board of Trustees

By \_\_\_\_\_  
Authorized Signer

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_

the within warrant and hereby irrevocably constitutes and appoints \_\_\_\_\_

\_\_\_\_\_

attorney to transfer the said warrant on the books kept for registration thereof, with full power of substitution in the premises.

Dated \_\_\_\_\_

Signature Guarantee:

\_\_\_\_\_

\_\_\_\_\_

**Section 7. Application of Proceeds and Payment Account.** All of the proceeds of sale of the Warrants shall be paid to the Treasurer of the District and deposited by him into the appropriate Funds of the District, provided however that, at the direction of the CFO, a portion of the proceeds of sale of the Warrants may be expended to pay costs of issuance of the Warrants.

There is hereby created a special account of the District, to be designated the "Warrant Payment Account, Series 2017" (the "Payment Account"). In connection with the creation of the Payment Account the District is authorized to enter into one or more Payment Account Agreements with respect to the administration of the 2017 Taxes. Pursuant to the Payment Account Agreements the District may covenant to deposit into the Payment Account a portion of the moneys derived from the collection of the 2017 Taxes and may otherwise provide for the security and payment of the Warrants. The Payment Account shall be established by the District to repay the Warrants and shall be maintained in accordance with all of the terms and provisions of the applicable Payment Account Agreement.

The Payment Account is established for the benefit and security of the owners of the Warrants. Such owners shall have a first and prior lien upon proceeds all present and future receipts of the 2017 Taxes when deposited into the Payment Account until the principal of and interest on the Warrants are paid in full.

Moneys deposited into the Payment Account shall be used solely and only for the purpose of paying the principal of and interest on the Warrants and shall not be used for any other purpose so long as the Warrants remain outstanding and unpaid. Pending the need for the use of the moneys so deposited, the District shall provide for the investment of the moneys so

deposited in investments lawfully permitted for District funds and maturing within the time required to pay interest on and principal of the Warrants.

**Section 8. Investment Restrictions.** No investment shall be made of the proceeds of sale of the Warrants or any moneys in the Payment Account except in accordance with the tax covenants set forth in Section 9 of this resolution. All income derived from such investments in respect of moneys or securities in any Fund or Account shall be credited in each case to the Fund or Account in which such moneys or securities are held.

Any moneys in any Fund or Account that are subject to investment yield restrictions may be invested in United States Treasury Securities, State and Local Government Series, pursuant to the regulations of the United States Treasury Department, Bureau of Public Debt, or in any tax-exempt obligation that is not an “investment property” within the meaning of Section 148(b)(2) of the Internal Revenue Code of 1986. The Treasurer of the District and agents designated by him are hereby authorized to submit, on behalf of the District, subscriptions for such United States Treasury Securities from time to time and as often as may be necessary or appropriate, and to request redemption of such United States Treasury Securities.

**Section 9. Tax Covenants.** The provisions of this Section 9 shall apply to each Warrant that is issued as a “State or local bond” as defined in Section 103 of the Internal Revenue Code of 1986.

The District shall not take or omit to take any action lawful and within its power to take, which action or omission would cause interest on any Warrant to become subject to Federal income taxes in addition to Federal income taxes to which interest on such Warrant is subject on the date of issuance thereof.

The District shall not permit any of the proceeds of the Warrants, or any facilities financed with such proceeds, to be used in any manner that would cause any Warrant to constitute a “private activity bond” within the meaning of Section 141 of the Internal Revenue Code of 1986.

The District shall not permit any of the proceeds of the Warrants or other moneys to be invested in any manner that would cause any Warrant to constitute an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986 or a “hedge bond” within the meaning of Section 149(g) of the Internal Revenue Code of 1986.

The District shall comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986 relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

**Section 10. Transfer, Exchange and Registry.** The Warrants shall be negotiable, subject to the provisions for registration of transfer contained herein. Each Warrant shall be transferable only upon the registration books maintained by the District for that purpose at the corporate trust office of the warrant registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the warrant registrar and duly executed by the registered owner or his duly authorized attorney. Upon the surrender for transfer of any such Warrant, the District shall execute and the warrant registrar shall authenticate and deliver a new Warrant or Warrants registered in the name of the transferee, of the same aggregate principal amount, series, maturity, interest rate and numerical order of issuance as the surrendered Warrant. Warrants, upon surrender thereof at the principal corporate trust office of the warrant registrar, with a written instrument satisfactory to the warrant registrar, duly executed by the registered



owner or his attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of Warrants of the same series, maturity, interest rate and numerical order of issuance and of the denominations of \$5,000 or any integral multiple thereof.

For every such exchange or registration of transfer of Warrants, the District or the warrant registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making such transfer or exchange.

The District and the warrant registrar may deem and treat the person in whose name any Warrant shall be registered upon the registration books as the absolute owner of such Warrant, whether such Warrant shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Warrant to the extent of the sum or sums so paid, and neither the District nor the warrant registrar shall be affected by any notice to the contrary.

**Section 11. Warrant Registrar.** The District covenants that it shall at all times retain a warrant registrar with respect to the Warrants, that it will maintain at the designated office of such warrant registrar a place where Warrants may be presented for payment and registration of transfer or exchange and that it shall require that the warrant registrar maintain proper registration books and perform the other duties and obligations imposed upon it by this

resolution in a manner consistent with the standards, customs and practices of the municipal securities business.

The warrant registrar shall signify its acceptance of the duties and obligations imposed upon it by this resolution by executing the certificate of authentication on any Warrant, and by such execution the warrant registrar shall be deemed to have certified to the District that it has all requisite power to accept, and has accepted such duties and obligations not only with respect to the Warrant so authenticated but with respect to all the Warrants. The warrant registrar is the agent of the District and shall not be liable in connection with the performance of its duties except for its own negligence or default. The warrant registrar shall, however, be responsible for any representation in its certificate of authentication on the Warrants.

The District may remove the warrant registrar at any time. In case at any time the warrant registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the warrant registrar, or of its property, shall be appointed, or if any public officer shall take charge or control of the warrant registrar or of its property or affairs, the District covenants and agrees that it will thereupon appoint a successor warrant registrar. The District shall mail notice of any such appointment made by it to each registered owner of Warrants within twenty days after such appointment.

**Section 12. Book-Entry System.** The provisions of this Section 12 shall apply to each series of the Warrants that is issued in book entry form.

In order to provide for the initial issuance of the Warrants in a form that provides for a system of book-entry only transfers, the ownership of one fully registered Warrant for each such series, in the aggregate principal amount of the Warrants of such series, shall be registered in the

name of Cede & Co., as a nominee of The Depository Trust Company, as securities depository for the Warrants. The CFO is authorized to execute and deliver on behalf of the District such letters to, or agreements with, the securities depository as shall be necessary to effectuate such book-entry system.

In case at any time the securities depository shall resign or shall become incapable of acting, then the District shall appoint a successor securities depository to provide a system of book-entry only transfers for the Warrants, by written notice to the predecessor securities depository directing it to notify its participants (those persons for whom the securities depository holds securities) of the appointment of a successor securities depository.

If the system of book-entry only transfers for the Warrants is discontinued, then the District shall issue and the warrant registrar shall authenticate, register and deliver to the beneficial owners of the Warrants, Warrant certificates in replacement of such beneficial owners' beneficial interests in the Warrants, all as shown in the records maintained by the securities depository.

**Section 13. Defeasance and Payment of Warrants.** (A) If the District shall pay or cause to be paid to the registered owners of the Warrants, the principal and interest due or to become due thereon, at the times and in the manner stipulated therein and in this resolution, then the pledge of taxes, securities and funds hereby pledged and the covenants, agreements and other obligations of the District to the registered owners and the beneficial owners of the Warrants shall be discharged and satisfied.

(B) Any Warrants or interest installments appertaining thereto, whether at or prior to the maturity date of such Warrants, shall be deemed to have been paid within the meaning of

paragraph (A) of this Section if there shall have been deposited in trust with a bank, trust company or national banking association acting as fiduciary for such purpose either (i) moneys in an amount which shall be sufficient, or (ii) "Federal Obligations" as defined in paragraph (C) of this Section, the principal of and the interest on which when due will provide moneys which, together with any moneys on deposit with such fiduciary at the same time for such purpose, shall be sufficient, to pay when due the principal of and interest due and to become due on said Warrants on and prior to the applicable maturity date thereof.

(C) As used in this Section, the term "Federal Obligations" means (i) non-callable, direct obligations of the United States of America, (ii) non-callable and non-prepayable, direct obligations of any agency of the United States of America, which are unconditionally guaranteed by the United States of America as to full and timely payment of principal and interest, (iii) non-callable, non-prepayable coupons or interest installments from the securities described in clause (i) or clause (ii) of this paragraph, which are stripped pursuant to programs of the Department of the Treasury of the United States of America, or (iv) coupons or interest installments stripped from bonds of the Resolution Funding Corporation.

**Section 14. Certificate of Determination and Award.** Any determination delegated to the CFO pursuant to this resolution with respect to a series of the Warrants shall be made pursuant to a Certificate of Determination and Award, which shall be signed by the CFO prior to the issuance of any Warrants of that series. Pursuant to the Certificate of Determination and Award the District may covenant with the owners of the Warrants to deposit into the Payment Account a portion of the moneys derived from the collection of the 2017 Taxes and may otherwise provide for the security and payment of the Warrants.

**Section 15. Resolution to Constitute a Contract.** The provisions of this resolution shall constitute a contract between the District and the registered owners of the Warrants. Any pledge made in this resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the District shall be for the equal benefit, protection and security of the owners of any and all of the Warrants. All of the Warrants shall be of equal rank without preference, priority or distinction of any of the Warrants over any other thereof except as expressly provided in or pursuant to the Authorizing Act and this resolution. This resolution shall constitute full authority for the issuance of the Warrants and to the extent that the provisions of this resolution conflict with the provisions of any other resolution of the District, the provisions of this resolution shall control. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

**Section 16. Effective Date.** This resolution shall take effect immediately.