

GLENBROOK HIGH SCHOOLS
Office of the Assistant Superintendent for Business Affairs
Regular Board Meeting Monday, June 14, 2010

TO: Dr. Michael Riggle

FROM: Hillarie Siena

DATE: June 14, 2010

RE: Discussion/.Action: Resolution to Issue \$10M Referendum Bonds

It is recommended that the Board of Education approve a resolution providing for the issue of not to exceed \$10,400,000 General Obligation School Bonds, Series 2010, of Township High School District 225, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest, net of any federal subsidy, on said bonds.

Background

At the December 14, 2010 meeting, the board will be requested to approve a resolution for the issuance of \$10M in General Obligation School Bonds. The resolution authorizes the Board President and Assistant Superintendent for Business Affairs to proceed with the bond sale in July 2010 with no further Board action.

We are recommending authorization of not to exceed \$10.4M to cover all costs of issuance, with net proceeds to the District not to exceed \$10M. On November 7, 2006, the Board of Education was authorized by the voters of the District at the general election, to borrow the sum of \$94,000,000 to be used for capital improvements and refunding of existing debt. Following is a current accounting of the \$94M bond issue:

January 18, 2007		\$68.5M
Capital Improvements	\$47.0M	
Retire Debt	\$21.5M	
January 17, 2008		\$15.5M (all capital improvements)
June 15, 2010		<u>\$10.0M</u> (all capital improvements)
Total Authorized Debt		\$94.0M

Elizabeth Hennessy, from William Blair & Co. will be acting as financial advisor to the District and will be at the board meeting to provide the board with market analysis and pricing recommendations. Attached are the bond resolution and financial advisory agreement.

MINUTES of a regular public meeting of the Board of Education of Township High School District Number 225, Cook County, Illinois, held in the Board Room in the Administration Building, 1835 Landwehr Road, Glenview, Illinois, in said School District at 7:30 o'clock P.M., on the 14th day of June, 2010.

* * *

The meeting was called to order by the President, and upon the roll being called, Skip Shein, the President, and the following members were physically present at said location:

The following members were allowed by a majority of the members of the Board of Education in accordance with and to the extent allowed by rules adopted by the Board of Education to attend the meeting by video or audio conference: _____

No member was not permitted to attend the meeting by video or audio conference.

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____

The President announced that the next item for consideration was the sale of an additional amount of the District's general obligation school bonds approved at the November 7, 2006 referendum to be issued by the District pursuant to Section 19-3 of the School Code of the State of Illinois and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and that the Board of Education would consider the adoption of a resolution providing for the issue of said bonds and the levy of a direct annual tax sufficient to pay the principal and interest thereon.

Whereupon Member _____ presented and the Secretary read by title a resolution as follows, a copy of which was provided to each member of the Board of Education prior to said meeting and to everyone in attendance at said meeting who requested a copy:

RESOLUTION providing for the issue of not to exceed \$10,400,000 General Obligation School Bonds, Series 2010, of Township High School District Number 225, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

* * *

WHEREAS, the Board of Education (the "*Board*") of Township High School District Number 225, Cook County, Illinois (the "*District*"), authorized the submission of the following proposition (the "*Proposition*") to the voters of the District at the general election held on the 7th day of November, 2006 (the "*Election*");

Shall the Board of Education of Glenbrook Township High School District Number 225, Cook County, Illinois, be authorized to improve the sites of, build and equip additions to and alter, repair and equip school buildings of said School District, pay and retire alternate bonds issued to finance or refinance the building and equipping of additions and renovations to the Glenbrook North and South High School Buildings and issue bonds of said School District to the amount of \$94,000,000 for the purpose of paying the costs thereof?

(the "*Proposition*"); and

WHEREAS, the County Clerk (the "*County Clerk*") of The County of Cook, Illinois, caused proper notice to be given of the Election (the "*Notice*") by (i) publishing the Notice once not more than 30 nor less than 10 days prior to the date of the Election in a local, community newspaper having general circulation in the District, and (ii) posting a copy of the Notice at least 10 days before the date of the Election at the principal office of the County Clerk; and

WHEREAS, the Secretary of the Board posted a copy of the Notice at the principal office of the District; and

WHEREAS, the Election was duly held in the manner provided by law, and it has heretofore been found, determined, declared and proclaimed that a majority of all the votes cast

at the Election on the Proposition was cast in favor of the Proposition, and the Proposition was properly carried; and

WHEREAS, the Board by the Election has heretofore been authorized to borrow the sum of \$94,000,000 to improve the sites of, build and equip additions to and alter, repair and equip school buildings of the District (the "*Project*") and refund the outstanding alternate bonds referenced in the Proposition, namely, the District's General Obligation School Bonds (Alternate Revenue Source), Series 2010C, dated October 1, 2000, and the General Obligation School Refunding Bonds (Alternate Revenue Source), Series 2003, dated October 1, 2003 (the "*Refunding*"), such money to be borrowed upon the credit of the District; and

WHEREAS, the Board has heretofore borrowed \$80,846,843.70 of said sum and issued bonds in said amount to pay a portion of the Project and the Refunding, and the Board is authorized to issue an additional \$13,153,156.30 of the bonds approved by the Election for the Project (the "*Bonds*"); and

WHEREAS, the Bonds shall be payable from a direct annual ad valorem tax levied against all taxable property in the District, without limitation as to rate or amount; and

WHEREAS, the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*PTELL*"), imposes certain limitations on the "*aggregate extension*" of certain property taxes levied by the District, but provides that the definition of "*aggregate extension*" applicable to the District contained in Section 18-185 of the Property Tax Code of the State of Illinois, as amended, does not include extensions "made for any taxing district to pay interest or principal on bonds that were approved by referendum"; and

WHEREAS, the Board does hereby find and determine that the Bonds were approved by referendum; and

WHEREAS, the County Clerk is therefore authorized to extend and collect said tax so levied for the payment of the Bonds without limitation as to rate or amount:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of Township High School District Number 225, Cook County, Illinois, as follows:

Section 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.

Section 2. Authorization. It is hereby found and determined that the Board has been authorized by law to borrow the sum of \$94,000,000 upon the credit of the District and as evidence of such indebtedness to issue its general obligation bonds in said amount, the proceeds of such bonds to be used for the Project and the Refunding, and it is necessary and for the best interests of the District that there be issued at this time not to exceed \$10,400,000 of the Bonds so authorized to be used for the Project.

Section 3. Bond Details. There be borrowed on the credit of and for and on behalf of the District the sum of not to exceed \$10,400,000 for the purpose aforesaid; and that the Bonds shall be issued in not to exceed said amount, in one or more series and shall be designated “[Taxable] General Obligation School Bonds, Series 2010” or such other series designation as appropriate and as set forth in the Bond Notification (as hereinafter defined). The Bonds may be issued on a tax-exempt basis (the “*Tax-Exempt Bonds*”), whereby the status of interest paid and received thereon is excludable from the gross income of the owners thereof under the Internal Revenue Code of 1986, as amended (the “*Code*”), for federal income tax purposes, or may be issued on a taxable basis (the “*Taxable Bonds*”), whereby the status of interest paid and received thereon is includable in gross income of the owners thereof under the Code for federal income tax purposes, or some combination thereof. The Bonds shall be dated such date (not prior to

June 1, 2010, and not later than December 1, 2010), and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each and authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), shall be numbered 1 and upward. The Bonds shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on December 1 of each of the years (not later than 2029), in the amounts (not exceeding \$3,600,000 per year) and bearing interest at the rates per annum (not exceeding 7.00% per annum) as set forth in the Bond Notification.

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing with the first interest payment date as set forth in the Bond Notification.

Interest on each Bond shall be paid by check or draft of Amalgamated Bank of Chicago, Chicago, Illinois (the "*Bond Registrar*"), payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

The Bonds shall be signed by the manual or facsimile signatures of the President and Secretary of the Board, and shall be registered, numbered and countersigned by the manual or facsimile signature of the School Treasurer who receives the taxes of the District, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the

delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the District and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 4. Registration of Bonds; Persons Treated as Owners. (a) General. The District shall cause books (the "*Bond Register*") for the registration and for the transfer of the Bonds as provided in this Resolution to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the District. The District is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the District for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the District shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond

Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the District of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, *provided, however*, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the calendar month next preceding any payment date on such Bond and ending at the opening of business on such payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the District or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as

described in Section 3 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto ("*Cede*"), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns ("*DTC*"). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The President and Secretary of the Board, the Superintendent and chief business official of the District and the Bond Registrar are each authorized to execute and deliver, on behalf of the District, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "*Representation Letter*"), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the District and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "*DTC Participant*") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to the principal of or interest on the Bonds. The District and the Bond Registrar may treat and consider the person in whose name each Bond is registered

in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the District to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 3 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable payment date, the name "Cede" in this resolution shall refer to such new nominee of DTC.

In the event that (i) the District determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the District, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the District determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the District shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the District may determine that the Bonds shall be registered in the name

of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the District, or such depository's agent or designee, and if the District does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 4(a) hereof.

Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the name provided in the Representation Letter.

Section 5. Redemption. (a) Optional Redemption. All or a portion of the Bonds due on and after the date, if any, specified in the Bond Notification (but not later than December 1, 2021) shall be subject to redemption prior to maturity at the option of the District from any available funds, as a whole or in part, and if in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single series and maturity to be selected by the Bond Registrar), on the date, if any, specified in the Bond Notification (but not later than December 1, 2020), and on any date thereafter, at the redemption prices (expressed as a percentage of the principal amount redeemed and not to exceed 102%) plus accrued interest to the date fixed for redemption, if applicable, as set forth in the Bond Notification.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Notification are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Notification.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the District may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Board shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

(c) *Make-Whole Redemption.* If so provided in the Bond Notification, the Bonds may be subject to redemption prior to maturity at the option of the District, in whole or in part, on any business day, at the “*Make-Whole Redemption Price,*” which is the greater of (i) 100% of the principal amount of the Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be redeemed, discounted to the date on which the Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at a rate which is equal to or in excess of the adjusted Treasury Rate (as defined herein), plus, in each case, accrued and unpaid interest on the Bonds to be redeemed on the redemption date. The District shall transmit the Make-Whole Redemption Price on such dates and to such parties as shall be necessary to effectuate such optional redemption.

“*Treasury Rate*” means as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available on the Determination Date (as defined herein) (excluding inflation indexed

securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to (i) the remaining average life of the Bonds to be redeemed, or (ii) the period from the redemption date to the maturity date of the Bonds to be redeemed, as shall be determined by the Designated Representatives (hereinafter defined) and set forth in the Bond Notification; *provided, however*, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. “*Determination Date*” means the date which is that number of business days prior to the redemption date as shall be set forth in the Bond Notification.

(d) *Extraordinary Optional Redemption.* If so provided in the Bond Notification, the 2010 Qualified Build America Bonds (hereinafter defined) may be subject to redemption prior to maturity at the option of the District, in whole or in part, upon the occurrence of an “*Extraordinary Event*” (as defined herein), at the “*Extraordinary Optional Redemption Price*,” which is the greater of (i) 100% of the principal amount of the 2010 Qualified Build America Bonds to be redeemed, and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the 2010 Qualified Build America Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2010 Qualified Build America Bonds are to be redeemed, discounted to the date on which the 2010 Qualified Build America Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at a rate which is equal to or in excess of the adjusted Treasury Rate; plus, in each case, accrued interest on the 2010 Qualified Build America Bonds to be redeemed to the redemption date. The District shall transmit the Extraordinary Optional Redemption Price on such dates and to such parties as shall be necessary to effectuate such extraordinary optional redemption.

An “*Extraordinary Event*” is a change that has occurred to Section 54AA or Section 6431 of the Code (as such sections were added by Section 1531 of the Recovery Act, pertaining to build America bonds), or to any guidance published by the Internal Revenue Service or the United States Treasury with respect to such sections or any other determination by the Internal Revenue Service or the United States Treasury, pursuant to which the District’s 35% cash subsidy payment from the United States Treasury is reduced or eliminated, and which is not the result of any act or omission by the District to satisfy the requirements to qualify to receive the 35% cash subsidy payment from the United States Treasury.

The Make-Whole Redemption Price and the Extraordinary Optional Redemption Price shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the District at the District’s expense. The Bond Registrar and the District may conclusively rely on the determination of the Make-Whole Redemption Price and the Extraordinary Optional Redemption Price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

(e) *General.* The Bonds shall be redeemed only in the principal amount of \$5,000 and integral multiples thereof. The District shall, at least forty-five (45) days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000

Bond or \$5,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

Alternatively, if so provided in the Bond Notification, for purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Bond Registrar pro-rata based upon the aggregate principal amount thereof then outstanding; *provided, however*, if for an individual owner or owners of Bonds the pro-rata redemption shall not result in a denomination of \$5,000 or an integral multiple thereof (the "*Uneven Amount*"), then the amount to be redeemed allocable to such Uneven Amount shall be as determined by the District by direction to the Bond Registrar in any commercially reasonable manner, which may include allocating such additional redemptions by rounding to the nearest \$5,000, or by lot, or both. The District shall direct the Bond Registrar to instruct DTC to instruct DTC Participants to select the specific Bonds within such maturity for redemption as hereinabove provided, and neither the District nor the Bond Registrar shall have any responsibility or obligation to insure that DTC or its Participants properly selects such Bonds for redemption.

The Bond Registrar shall promptly notify the District in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 6. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the District by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner

of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and
- (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the District shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest on the Bonds due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal thereof.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Section 7. Form of Bond. The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs [6] through [11] shall be inserted immediately after paragraph [1]:

(Form of Bond - Front Side)

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF COOK

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225

[TAXABLE] GENERAL OBLIGATION SCHOOL BOND, SERIES 2010

See Reverse Side for
Additional Provisions

Interest Maturity Dated
Rate: _____% Date: December 1, 20__ Date: _____, 2010 CUSIP _____

Registered Owner: CEDE & CO.

Principal Amount:

[1] KNOW ALL MEN BY THESE PRESENTS, that Township High School District Number 225, Cook County, Illinois (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on June 1 and December 1 of each year, commencing _____ 1, 20__, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal corporate trust office of Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent (the "Bond Registrar"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the

registration books of the District maintained by the Bond Registrar at the close of business on the 15th day of the calendar month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the District are hereby irrevocably pledged. [As additional security for the payment of the series of Bonds of which this Bond is one, the District has pledged the Build America Payments (as defined in the hereinafter-defined Bond Resolution) to the payment of the principal of and interest on the Bonds.]

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the District, including the issue of bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

[4] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[5] IN WITNESS WHEREOF, said Township High School District Number 225, Cook County, Illinois, by its Board of Education, has caused this Bond to be signed by the manual or duly authorized facsimile signatures of the President and Secretary of said Board of Education, and to be registered, numbered and countersigned by the manual or duly authorized facsimile signature of the School Treasurer who receives the taxes of the District, all as of the Dated Date identified above.

(Facsimile Signature)
President, Board of Education

Registered, Numbered and Countersigned:

(Facsimile Signature)
Secretary, Board of Education

(Facsimile Signature)
School Treasurer

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar and Paying Agent:
Amalgamated Bank of Chicago,
Chicago, Illinois

This Bond is one of the Bonds described in the within mentioned resolution and is one of the [Taxable] General Obligation School Bonds, Series 2010, of Township High School District Number 225, Cook County, Illinois.

AMALGAMATED BANK OF CHICAGO,
as Bond Registrar

By _____
(Manual Signature)
Authorized Officer

[Form of Bond - Reverse Side]

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225

COOK COUNTY, ILLINOIS

[TAXABLE] GENERAL OBLIGATION SCHOOL BOND, SERIES 2010

[6] This Bond is one of a series of bonds issued by the District to improve the sites of, build and equip additions to and alter, repair and equip school buildings of the District, in full compliance with the provisions of the School Code of the State of Illinois, and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and is authorized by a majority of all votes cast on the proposition at an election duly called and held for that purpose in the District, and by the Board of Education of the District by a resolution duly and properly adopted for that purpose (the “*Bond Resolution*”), in all respects as provided by law.

[7] [Optional and mandatory redemption provisions, as applicable, will be inserted here].

[8] Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the District maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

[9] This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[10] The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the authorizing resolution. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the calendar month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

[11] The District and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 8. Sale of Bonds. The President of the Board and the Assistant Superintendent for Business of the District (the "*Designated Representatives*") are hereby authorized to proceed not later than the 14th day of December, 2010, without any further authorization or direction from the Board, to sell and deliver the Bonds upon the terms as prescribed in this Resolution. The Bonds hereby authorized shall be executed as in this Resolution provided as soon after the delivery of the Bond Notification as may be, and thereupon be deposited with the School Treasurer who receives the taxes of the District, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to the purchaser thereof (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being not less than 98% of the principal amount of the Bonds plus accrued interest, if any, to date of delivery. The Purchaser shall be the best bidder for the Bonds at a competitive sale conducted by the District's independent financial advisor, William Blair & Company, L.L.C., Chicago, Illinois.

Prior to the sale of the Bonds, the President of the Board or the Superintendent or business official of the District is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure the Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Municipal Bond Insurance Policy.

Upon the sale of the Bonds, the Designated Representatives shall prepare a Notification of Sale of the Bonds, which shall include the pertinent details of sale as provided herein (the "*Bond Notification*"). In the Bond Notification, the Designated Representatives shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by applicable law. The Bond Notification shall be entered into the records of the District and made available to the Board at the next regular meeting thereof; but such action shall be for information purposes only, and the Board shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Notification.

Upon the sale of the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Representatives, the President and Secretary of the Board and the School Treasurer who receives the taxes of the District and any other officers of the District, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the contract for the sale of the Bonds between the District and the Purchaser (the "*Purchase Contract*"). Prior to the execution and delivery of the Purchase Contract, the Designated

Representatives shall find and determine that no person holding any office of the District either by election or appointment, is in any manner interested, directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in the Purchase Contract.

The Bonds before being issued shall be registered, numbered and countersigned by the School Treasurer who receives the taxes of the District, such registration being made in a book provided for that purpose, in which shall be entered the record of the election authorizing the Board to borrow said money and a description of the Bonds issued, including the number, date, to whom issued, amount, rate of interest and when due.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the "*Official Statement*") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Board are hereby authorized to take any action as may be required on the part of the District to consummate the transactions contemplated by the Purchase Contract, this Resolution, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 9. Tax Levy. In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the District a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose (net of the amount of Build America Payments (as hereinafter defined) anticipated to be collected by the District in each bond year (June 1 and December 1)), and that there be and there is hereby levied upon all of the taxable property in the District, the following direct annual tax, to-wit:

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2010	\$4,000,000	for interest up to and including December 1, 2011
2011	\$4,000,000	for interest
2012	\$4,000,000	for interest
2013	\$4,000,000	for interest
2014	\$4,000,000	for interest
2015	\$4,000,000	for interest
2016	\$4,000,000	for interest
2017	\$4,000,000	for interest
2018	\$4,000,000	for interest
2019	\$4,000,000	for interest and principal
2020	\$4,000,000	for interest and principal
2021	\$4,000,000	for interest and principal
2022	\$4,000,000	for interest and principal
2023	\$4,000,000	for interest and principal
2024	\$4,000,000	for interest and principal
2025	\$4,000,000	for interest and principal
2026	\$4,000,000	for interest and principal
2027	\$4,000,000	for interest and principal
2028	\$4,000,000	for interest and principal

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the District, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected.

The District covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding, the District will take no action or fail to take any action which in any way would adversely affect the ability of the District to levy and collect the foregoing tax levy and the District and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

To the extent that the taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Notification, the President and Secretary of the Board and the School Treasurer who receives the taxes of the District are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in the following bond year. Proper notice of such abatement shall be filed with the County Clerk, in a timely manner to effect such abatement.

Section 10. Filing of Resolution. Forthwith upon the passage of this Resolution, the Secretary of the Board is hereby directed to file a certified copy of this Resolution with the County Clerk, and it shall be the duty of the County Clerk to annually in and for each of the years 2010 to 2028, inclusive, ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the District in connection with other taxes levied in each of said years for school purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general school purposes of the District, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated "School Bond and Interest Fund of 2010" (the "*Bond Fund*"), which taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds; and a certified copy of this resolution shall also be filed with the School Treasurer who receives the taxes of the District.

Section 11. Additional Pledged Security for the Bonds. As additional security for the payment of the Bonds and pursuant to Section 13 of the Local Government Debt Reform Act of the State of Illinois, as amended, the District pledges the Build America Payments (as hereinafter defined) to the payment of the principal of and interest on the Bonds. All Build America

Payments received by the District shall promptly be deposited into the Bond Fund and shall be fully spent to pay the principal of and interest on the Bonds when due.

Under Section 6431 of the Code, an issuer of a “Qualified Build America Bond” may apply to receive payments (the “*Build America Payments*”) directly from the Secretary of the U.S. Treasury. The amount of a Build America Payment is set forth in Section 6431 of the Code at 35 percent of the corresponding interest payable on the related Qualified Build America Bond. To receive each Build America Payment by the applicable Bond interest payment date, under currently existing procedures, the District must file a tax return (now designated Form 8038-CP) between 90 and 45 days prior to the corresponding Bond interest payment date. The District should expect to receive the Build America Payment within 45 days of filing the return. Depending on the timing of the filing, the Build America Payment may be received before or after the corresponding interest payment date. The District and its officers will comply with all present and future applicable laws in order to assure that the Build America Payments will be collected as provided herein and deposited into the Bond Fund.

Section 12. Use of Bond Proceeds. Accrued interest, if any, received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. The principal proceeds of the Bonds and any premium received on the delivery of the Bonds are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of paying the cost of the Project, and that portion thereof not needed to pay such costs of issuance is hereby ordered deposited into the Site and Construction/Capital Improvements Fund of the District (the “*Project Fund*”). At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the District from the proceeds of the Bonds. The District and the Board hereby covenant that all of the proceeds of the Bonds shall be used in strict compliance with the

authorization of the voters of the District at the Election and with all of the requirements of the School Code of the State of Illinois, as amended.

Section 13. Tax-Exemption Covenants Re: Tax-Exempt Bonds. The District agrees to comply with all provisions of the Code which, if not complied with by the District, would cause interest on the Tax-Exempt Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. In furtherance of the foregoing provisions, but without limiting their generality, the District agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by Bond Counsel; (c) to consult with Bond Counsel and to comply with such advice as may be given; (d) to file such forms, statements and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the District in such compliance.

The District also certifies and further covenants with the Purchaser and registered owners of the Tax-Exempt Bonds from time to time outstanding that moneys on deposit in any fund or account in connection with the Tax-Exempt Bonds, whether or not such moneys were derived from the proceeds of the sale of the Tax-Exempt Bonds or from any other source, will not be used in a manner which will cause the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and any lawful regulations promulgated hereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised.

The District further covenants that it will not take any action, or omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Tax-Exempt Bonds) if taking, permitting or

omitting to take such action would cause any Tax-Exempt Bond to be a private activity bond within the meaning of the Code or would otherwise cause interest on the Tax-Exempt Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The District acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation of interest on the Tax-Exempt Bonds, under present rules, the District may be treated as a “taxpayer” in the examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

Section 14. Qualified Tax-exempt Obligations. The District recognizes the provisions of Section 265(b)(3) of the Code which provide that a “qualified tax-exempt obligation” as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The District hereby designates the Tax-Exempt Bonds for purposes of Section 265(b)(3) of the Code as “qualified tax-exempt obligations” as provided therein.

Section 15. Elections Concerning the 2010 Qualified Build America Bonds. The District hereby makes an irrevocable election to apply Section 54 AA of the Code and Subsection 54 AA(g) of the Code to certain of the Taxable Bonds and designates certain of the Taxable Bonds as a “build America bond” within the meaning of Section 54 AA(d) of the Code and as a “qualified bond” within the meaning of Section 54 AA(g) of the Code (the “2010 Build America Bonds”), as set forth in the Bond Notification.

The District recognizes that as a result of these elections, interest on the 2010 Qualified Build America Bonds shall be includable in gross income of the owners thereof for federal income tax purposes and the owners of the 2010 Qualified Build America Bonds will not be entitled to any tax credits with respect to the 2010 Qualified Build America Bonds under Section 54 AA of the Code. The District also recognizes that it must take certain future actions

and omit other future actions in order for the 2010 Qualified Build America Bonds to remain “build America bonds.”

The District hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the 2010 Qualified Build America Bonds) if taking, permitting or omitting to take such action would cause any of the 2010 Qualified Build America Bonds to be an arbitrage bond, a private activity bond or a federally guaranteed bond within the meaning of the Code or would otherwise cause the 2010 Qualified Build America Bonds to fail to be “build America bonds” within the meaning of Section 54AA(d) of the Code that are “qualified bonds” within the meaning of Section 54AA(g) of the Code. The District acknowledges that, in the event of an examination by the Internal Revenue Service of the status of the 2010 Qualified Build America Bonds, under present rules, the District may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

The District also agrees and covenants with the purchasers and holders of the 2010 Qualified Build America Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future that applies to the 2010 Qualified Build America Bonds and affects the qualification of the 2010 Qualified Build America Bonds as “build America bonds” within the meaning of Section 54AA(d) of the Code that are “qualified bonds” within the meaning of Section 54AA(g) of the Code.

The Board hereby authorizes the officials of the District responsible for issuing the Bonds, the same being the President and Secretary of the Board and the School Treasurer who receives the taxes of the District, to make such further covenants and certifications regarding the

specific use of the proceeds of the 2010 Qualified Build America Bonds as approved by the Board and as may be necessary to assure that the use thereof will not cause the 2010 Qualified Build America Bonds to be arbitrage bonds and to assure that the 2010 Qualified Build America Bonds will be “build America bonds.” In connection therewith, the District and the Board further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the 2010 Qualified Build America Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the 2010 Qualified Build America Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the District in such compliance.

Section 16. Registered Form. The District recognizes that Section 149 of the Code requires the Tax-Exempt Bonds to be issued and to remain in fully registered form in order for the interest on the Tax-Exempt Bonds to be excludable from the gross income of the recipients thereof for federal income tax purposes. The District recognizes that Section 149 of the Code requires the 2010 Qualified Build America Bonds to be issued and to remain in fully registered form in order to be and remain “build America bonds” within the meaning of Section 54AA of the Code. In this connection, the District agrees that it will not take any action to permit the Tax-Exempt Bonds or the 2010 Qualified Build America Bonds to be issued in, or converted into, bearer or coupon form.

Section 17. Reimbursement. None of the proceeds of the Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the District prior to the date hereof except architectural, engineering costs or construction costs incurred

prior to commencement of the Project (the “*Preliminary Expenditures*”) or expenditures for which an intent to reimburse was properly declared under Treasury Regulations Section 1.150-2. This Resolution is in itself a declaration of official intent under Treasury Regulations Section 1.150-2 as to all costs of the Project paid after the date hereof and prior to issuance of the Bonds. No reimbursement will be made for items that are not capital expenditures (such Preliminary Expenditures being regarded as capital expenditures).

Section 18. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the District to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds or other bonds or debt obligations of the District (each a “*Tax Advantaged Obligation*” and, collectively, the “*Tax Advantaged Obligations*”), certain of which the interest on which is excludable from “gross income” for federal income tax purposes (including the Tax-Exempt Bonds, the “*Tax-Exempt Obligations*”) and certain of which may qualify as “build America bonds” under the Code (including the 2010 Qualified Build America Bonds, the “*Build America Bonds*”) or which may further qualify as build America bonds that have been designated “recovery zone economic development bonds” (“*RZEDBs*”) or “recovery zone facility bonds” (“*RZFBs*”). Further, it is necessary and in the best interest of the District that (i) the Board adopt policies with respect to record-keeping and (ii) the Compliance Officer (as hereinafter defined) shall at least annually review the District’s Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations.

A. *Compliance Officer Is Responsible for Records.* The Assistant Superintendent for Business of the District (the “*Compliance Officer*”) is hereby designated as the keeper of all records of the District with respect to each issue of the Tax

Advantaged Obligations, and such officer shall report to the Board at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

B. *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (a) the proceedings of the District authorizing the Tax Advantaged Obligations, (b) any offering document with respect to the offer and sale of the Tax Advantaged Obligations, (c) any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (d) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

C. *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the District with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the Board stating whether or not the District has any rebate liability to the U.S. Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Board.

D. *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the District must meet in order to maintain the tax-exemption of interest paid on the Tax-Exempt Obligations and the qualification of any Build America Bonds as “build America bonds” or the further qualification of any Build America Bonds as RZEDBs or the qualification of any Tax Advantaged Obligations as RZFBs. The

Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that (i) the interest paid on the Tax-Exempt Obligations is entitled to be excluded from “gross income” for federal income tax purposes, (ii) any Build America Bonds qualify as “build America bonds,” (iii) any RZEDBs qualify as “recovery zone economic development bonds,” and/or (iv) any RZFBs qualify as “recovery zone facility bonds.” Notwithstanding any other policy of the District, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the bond transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all bond proceeds for their intended purposes;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the District, including any leases (the “*Contracts*”), with respect to the use of any property owned by the

District and acquired or financed with the proceeds of the Tax Advantaged Obligations, any part of which property is used by a private person at any time when such Tax Advantaged Obligations are or have been outstanding.

E. *IRS Examination.* In the event the Internal Revenue Service (“IRS”) commences an examination of any issue of Tax Advantaged Obligations, the Compliance Officer shall inform the Board of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination.

F. *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Board, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

G. *Amendment and Waiver.* The District may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of a resolution by the Board.

Section 19. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 20. Duties of Bond Registrar. If requested by the Bond Registrar, the President and Secretary of the Board are authorized to execute the Bond Registrar's standard form of agreement between the District and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

(a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the District upon request, but otherwise to keep such list confidential;

(c) to give notice of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(e) to furnish the District at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the District at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

Section 21. Continuing Disclosure Undertaking. The President of the Board is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "*Continuing Disclosure Undertaking*"). When the Continuing Disclosure Undertaking is executed and delivered on behalf of the District as herein provided, the Continuing Disclosure Undertaking will be binding on the District and the officers, employees and agents of the District, and the officers, employees and agents of the District are hereby authorized, empowered and directed to do all such acts and

things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Resolution, the sole remedy for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order to cause the District to comply with its obligations under the Continuing Disclosure Undertaking.

Section 22. Municipal Bond Insurance. In the event the payment of principal and interest on the Bonds is insured pursuant to a municipal bond insurance policy (the “*Municipal Bond Insurance Policy*”) issued by a bond insurer (the “*Bond Insurer*”), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the District and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer upon payment of the Bonds by the Bond Insurer, amendment hereof, or other terms, as approved by the President of the Board on advice of counsel, his or her approval to constitute full and complete acceptance by the District of such terms and provisions under authority of this Section.

Section 23. Severability. If any section, paragraph, clause 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 24. Repeal. All resolutions or parts thereof in conflict herewith be and the same are hereby repealed, and this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted June 14, 2010.

President, Board of Education

Secretary, Board of Education

Member _____ moved and Member _____
seconded the motion that said resolution as presented and read by title be adopted.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt said resolution.

Upon the roll being called, the following members voted AYE: _____

The following members voted NAY: _____

Whereupon the President declared the motion carried and said resolution adopted, approved and signed the same in open meeting and directed the Secretary to record the same in the records of the Board of Education of Township High School District Number 225, Cook County, Illinois, which was done.

Other business not pertinent to the adoption of said resolution was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF MINUTES AND RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of Township High School District Number 225, Cook County, Illinois (the “Board”), and as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 14th day of June, 2010, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$10,400,000 General Obligation School Bonds, Series 2010, of Township High School District Number 225, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

a true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 72 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the School Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 14th day of June, 2010.

Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois, and as such official I do further certify that on the ____ day of _____, 2010, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$10,400,000 General Obligation School Bonds, Series 2010, of Township High School District Number 225, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

duly adopted by the Board of Education of Township High School District Number 225, Cook County, Illinois, on the 14th day of June, 2010, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this ____ day of _____, 2010.

County Clerk of The County of Cook,
Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer who receives the taxes of Township High School District Number 225, Cook County, Illinois, and as such official I do further certify that on the 14th day of June, 2010, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$10,400,000 General Obligation School Bonds, Series 2010, of Township High School District Number 225, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

duly adopted by the Board of Education of said School District on the 14th day of June, 2010, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 14th day of June, 2010.

School Treasurer

FINANCIAL ADVISORY AGREEMENT

June 10, 2010

William Blair & Company, L.L.C.
222 West Adams Street
Chicago, Illinois 60606

Ladies and Gentlemen:

This confirms the extension of the engagement of William Blair & Company, L.L.C. ("*Blair*") by Township High School District 225 (Glenbrook), Cook County, IL (the "*Borrower*") to provide certain Financial Advisory services under the terms and conditions of this Agreement (the "*Agreement*").

1. *Appointment of Blair; Duties.* The Borrower appoints Blair as its Financial Advisor with respect to the proposed issuance of the debt securities (the "*Securities*"). Blair accepts such appointment. As Financial Advisor, Blair will provide the following services to the Borrower:
 - (a) Render advice and prepare analysis necessary for the approval and issuance of the Securities, including the use of proceeds from the sale of the Securities, including various financing alternatives;
 - (b) Meet with and provide assistance to the Borrower's architects, engineers, lawyers and consultants and underwriters;
 - (c) Advise the Borrower regarding the appropriateness of negotiated versus competitive bond sale methods;
 - (d) Provide advice concerning the terms, timing and structure of the sale of the Securities;
 - (e) Assist in preparing the disclosure document describing the Borrower and the Securities (the "*Disclosure Document*");
 - (f) Assist in preparing any rating agency presentations;
 - (g) Assist the Borrower in qualifying for credit enhancement for the Securities, including municipal bond insurance, if necessary;

(h) Provide advice concerning the investment of the proceeds from the sale of the Securities and arbitrage related issues;

(i) Perform any other services related to the issuance and sale of the Securities that Blair agrees to perform at the reasonable request of the Borrower.

2. *Preparation of Disclosure Document.* The Borrower recognizes and confirms that in assisting the Borrower with the preparation of the Disclosure Document, Blair (i) will be using and relying on information furnished and approved by the Borrower; (ii) assumes no responsibility for the accuracy or completeness of such information and (iii) is not responsible for independently verifying such information. The Borrower is responsible for the contents of the Disclosure Document, and represents that the information to be contained in the Disclosure Document relating to the Borrower and the Securities will not, as of the date of any offer or sale of the Securities, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

3. *Compensation and Expenses.* (a) Total compensation for Blair and any other Financial Advisors for financial advisory services related to the sale of general obligation bonds, debt certificates or any other borrowing mechanism will be equal to \$3 per \$1,000 par amount of securities sold.

(a) In the event that the Borrower desires to sell general obligation bonds, debt certificates or any other borrowing mechanism through negotiation with Blair as underwriter, Blair will resign as Financial Advisor and will not be compensated as such.

(b) The Borrower is responsible for all expenses related to the issuance and sale of the securities, including legal fees and expenses, fees of any trustee, paying agent or bond registrar, rating agency fees, credit enhancement fees and premiums, printing, research, underwriter compensation and expenses and all other costs of issuance. The Borrower shall reimburse Blair for its reasonable out-of-pocket expenses incurred in connection with its duties as Financial Advisor under this Agreement.

4. *Service to Other Borrowers.* It is understood that Blair also provides similar services to other clients, and Blair may provide advice to or take action on behalf of such other clients which differs from the advice given to or the action taken on behalf of the Borrower.

5. *Authority.* Each of the parties to this Agreement represents that it has duly authorized the execution, delivery and performance of this Agreement and that neither such execution and delivery nor the performance of its obligations hereunder conflict with or violate any provision of law, rule or regulation, or any instrument to which it is a party or to which any of its property is subject and that this Agreement is a valid and binding obligation.

6. *Liability and Indemnification.* (a) The Borrower agrees that neither Blair nor any member, principal or employee of Blair shall be liable for any error in judgment or for any act or

omission to act by Blair or any such person, except for any error in judgment, act or omission resulting from Blair's or such person's gross negligence, willful misconduct or malfeasance. Blair shall have no liability to the Borrower if the issuance of the Securities does not occur for any reason, and has no obligation to purchase the Securities under any circumstances.

(b) To the extent permitted by applicable law, the Borrower shall indemnify and hold harmless Blair and each member, principal and employee of Blair (collectively, the "*Indemnified Party*") against any losses, claims, damages or liabilities, joint or several, to which any Indemnified Party may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement of a material fact contained in any Disclosure Document, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. The Borrower is responsible for the truth, accuracy and completeness of all information relating to the Borrower.

(c) If for any reason the indemnification provided for in Paragraph 6(b) is unavailable to an Indemnified Party or is insufficient to hold it harmless, then the Borrower shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss in such proportion as is appropriate to reflect not only the relative benefits received by the Borrower on the one hand and by Blair and on the other hand but also the relative fault of the Borrower and Blair, as well as any relevant equitable considerations.

(d) The reimbursement, indemnity and contribution obligations of the Borrower hereunder shall be in addition to any liability which the Borrower may otherwise have.

7. *Termination and Assignment.*

(a) This Agreement may be terminated by either party at any time upon 30 days' prior written notice to the other party. Such termination shall be without the payment of any penalty and without liability of either party to the other, except (i) for any compensation and expense reimbursements due in accordance with Section 3 and (ii) that Blair shall continue to be entitled to the benefits of Section 6 following any such termination.

(b) No assignment of this Agreement by Blair shall be effective without the written consent of the Borrower.

8. *Notices.* Any notice or other written communication provided for herein shall be mailed to Blair at its address set forth above or to the Borrower at 1835 Landwehr Road, Glenview, IL 60025, unless either party notifies the other in writing of a different address.

9. *General.* The validity and interpretation of this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois applicable to Agreements made and to be fully performed therein. This Agreement may not be modified or

amended except in writing executed by the parties hereto. This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

10. *Blair's Interest in Certain Securities.* Blair may wish to purchase some of the Borrower's notes or bonds, including the Securities, during the period that Blair serves as Financial Advisor to the Borrower. Blair will **not** participate as purchaser of the Securities in the initial offering of the Securities where Blair has acted as Financial Advisor. The Borrower hereby consents to any secondary market purchase by Blair, whether acting alone or as a participant in a syndicate or other group. In purchasing any such securities, Blair shall comply with the applicable rules of the Municipal Securities Rulemaking Board.

11. This Agreement is agreed to, accepted and effective as of the date set forth above.

TOWNSHIP HIGH SCHOOL DISTRICT 225,
COOK COUNTY, IL

By: _____
Title: President, Board of Education

WILLIAM BLAIR & COMPANY, L.L.C.

By: _____
Title: Principal