

OFFICIAL MINUTES OF THE BOARD OF EDUCATION
SCHOOL DISTRICT 68, COOK COUNTY, ILLINOIS

Regular Board of Education Meeting – September 20, 2005

The Board of Education of School District 68, Cook County, Illinois, met on the 20th day of September, 2005, in regular session at the Educational Service Center, according to the rules of the Board.

The meeting was called to order at 7:34 p.m. by the President of the Board, David Beller, who presided. Members of the Board were present as follows:

Present: David Beller
Ross del Rosario
David Ehrlich
John Frendreis
Hank Schneider
Elaine Steiner

Absent: Jim Kaczowski

Administrative staff members were present as follows:

Frances McTague, Superintendent
Margaret Clauson, Old Orchard Junior High School Principal
Leslie Gordon, Highland School Principal
Kimberly Heath, Old Orchard Junior High School Assistant Principal
Beth Millard, Assistant Superintendent for Business
Randy Needelman, Devonshire School Principal
Susan O'Neil, Jane Stenson School Principal
Barbara Phillips, Assistant Superintendent of Instruction
Connie Powell, Director of Special Services

The following visitors were signed in as present:

Nichole Gross	Lisa Lipin
Sue Hagedorn	Jolan Silcroft
Cindy Latin	

1. INTRODUCTION OF BOARD MEMBERS AND VISITORS

President Beller asked the Board members and administrators at the head table to introduce themselves. He welcomed the new District staff members and asked each Principal/Director to introduce their new staff members. He then called for statements to the Board from the audience regarding topics not listed on the meeting agenda. There were no comments.

2. 2005-06 BUDGET HEARING AND ADOPTION

President Beller opened the public hearing on the 2005-06 budget and invited audience members to make statements regarding the proposed budget. There being no comments, he closed the budget hearing.

3. ADOPTION OF THE 2005-06 BUDGET

President Beller called for adoption of the budget for the 2005-06 fiscal year and called on the Secretary to present the budget resolution as follows:

BUDGET RESOLUTION

WHEREAS the Board of Education of Public School District N^o. 68, County of Cook, State of Illinois, caused to be prepared in tentative form a budget, and the Secretary of this Board has made the same conveniently available to public inspection for at least thirty days prior to final action thereon:

AND WHEREAS a public hearing was held as to such budget on the 20th day of September, 2005, notice of said hearing was given at least thirty days prior thereto as required by law, and all other legal requirements have been complied with;

NOW, THEREFORE, Be It Resolved by the Board of Education of said District as follows:

Section 1: That the fiscal year of this School District be and the same hereby is fixed and declared to be beginning July 1, 2005, and ending June 30, 2006.

Section 2: That the budget in its final proposed form be and the same is hereby adopted as the budget of this School District for the said fiscal year, thereby appropriating

the sum of \$18,436,995 from the Educational Fund, and

the sum of \$3,511,181 from the Operations and Maintenance Fund, and

the sum of \$2,067,600 from the Bond and Interest Fund, and

the sum of \$1,027,065 from the Transportation Fund, and

the sum of \$655,000 from the Municipal Retirement Fund which amount includes \$405,000 for Social Security/Medicare

and that a copy of said Budget Resolution be filed with the official records of this meeting.

Adopted by the Board of Education this 20th day of September, 2005.

/s/ David Beller

David Beller, President

/s/ Beth Millard

Beth Millard, Board Secretary

Assistant Superintendent for Business Beth Millard summarized the changes from the tentative budget adopted by the Board in July.

It was moved by Member Ehrlich, seconded by Member Frendreis that the Board of Education adopt the 2005-06 Budget.

Upon roll call, the members voted as follows:

AYE: Beller, del Rosario, Ehrlich, Frendreis, Schneider, Steiner

NAY: None

Motion carried.

4. CONSIDERATION OF MINUTES

It was moved by Member Ehrlich, seconded by Member Schneider, that the Board of Education approve the minutes of the following meeting:

Rescheduled Board of Education Meeting – August 23, 2005

Upon roll call, the members voted as follows:

AYE: Beller, del Rosario, Ehrlich, Frendreis, Schneider, Steiner

NAY: None

Motion carried.

5. OPENING ENROLLMENT 2005-06

Superintendent McTague presented a summary of 6th day enrollment figures and detailed information about elementary class sizes. President Beller thanked Superintendent McTague for her report.

6. NILES TOWNSHIP DEPARTMENT OF SPECIAL EDUCATION #807 REPORT

Member Schneider reported on the August 30, 2005, meeting of the NTDSE Board. President Beller thanked Member Schneider for his report.

7. RESOLUTION OF INTENT TO ISSUE WORKING CASH FUND BONDS

President Beller announced that a proposal had been received from William Blair & Company, L.L.C., Chicago, Illinois, for the purchase of the District's general obligation working cash fund bonds to be issued by the District pursuant to Article 20 of the School Code 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 to pay the principal and interest thereon. Whereupon the Secretary read in full a resolution as follows:

RESOLUTION providing for the issue of \$4,400,000 Taxable General Obligation Limited Tax School Bonds, Series 2005, of School District Number 68, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

* * *

WHEREAS, pursuant to the provisions of Article 20 of the School Code of the State of Illinois (the "*Act*"), and all laws amendatory thereof and supplementary thereto, School District Number 68, Cook County, Illinois (the "*District*"), is authorized to create, establish, maintain and operate a Working Cash Fund in and for the District; and

WHEREAS, pursuant to authority of the provisions of said Article 20 the Board of Education of the District (the "*Board*") adopted a resolution declaring its intention to avail of the provisions of said Article and issue bonds of the District in the aggregate amount of \$4,400,000 for working cash fund purposes as in and by said Article 20 provided; and

WHEREAS, pursuant to and in accordance with the Act and the provisions of Section 5 of the Local Government Debt Reform Act of the State of Illinois, as amended, notice of intention to issue said bonds pursuant to the provisions of said Article 20 was published in the *Skokie Review*, the same being a newspaper of general circulation in the District, and an affidavit evidencing the publication of such notice of intention, together with a newspaper clipping of such notice as published attached thereto, have heretofore been presented to the Board and made a part of the permanent records of the Board; and

WHEREAS, more than thirty (30) days have expired since the date of the publishing of such notice of intention to issue said bonds, and no petition with the requisite number of valid signatures thereon has been filed with the Secretary of the Board requesting that the proposition to issue said bonds as authorized by the provisions of said Article 20 be submitted to the legal voters of the District; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, the President of the Board, on the 19th day of July, 2005, executed an Order calling a public hearing (the "*Hearing*") for the 23rd day of August, 2005, concerning the intent of the Board to sell said bonds; and

WHEREAS, notice of the Hearing was given (i) by publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in the *Skokie Review*, the same being a newspaper of general circulation in the District, and (ii) by posting at least 48 hours before the Hearing a copy of said notice at the principal office of the Board; and

WHEREAS, the Hearing was held on the 23rd day of August, 2005, and at the Hearing the Board explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 23rd day of August, 2005; and

WHEREAS, the Board is now authorized to issue bonds to the amount of \$4,400,000 as authorized by the provisions of said Article 20 for working cash fund purposes and to levy taxes to pay principal of and interest on such bonds; and

WHEREAS, the bonds so authorized shall be issued as limited bonds under the provisions of Section 15.01 of the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"), and as such it is not necessary to submit the proposition of the issuance of the bonds to the voters of the District for approval:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of School District Number 68, 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 working cash fund of the District be increased and the Board has been authorized by law to borrow the sum of \$4,400,000 upon the credit of the District and as evidence of such indebtedness to issue bonds of the District in said amount, the proceeds of said bonds to be used for working cash fund purposes.

Section 3. Bond Details. There be borrowed on the credit of and for and on behalf of the District the sum of \$4,400,000 for the purpose aforesaid; and that bonds of the District (the "*Bonds*") shall be issued in said amount and shall be designated "Taxable General Obligation Limited Tax School Bonds, Series 2005." The Bonds shall be dated September 1, 2005, 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, and the Bonds shall become due and payable serially (without option of prior redemption) on December 1 of each of the years, in the amounts and bearing interest per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2005	\$ 110,000	3.85%
2006	2,090,000	5.20%
2007	2,200,000	5.20%

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 on December 1, 2005. Interest on each Bond shall be paid by check or draft of the School Treasurer who receives the taxes of the District (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 office of the Bond Registrar.

The Bonds shall be signed by the President and Secretary of the Board, and shall be registered, numbered and countersigned by 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.

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 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 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 month next preceding any interest

payment date on such Bond and ending at the opening of business on such interest payment date.

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.

(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 interest 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. 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 [9] 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

SCHOOL DISTRICT NUMBER 68

TAXABLE GENERAL OBLIGATION LIMITED TAX SCHOOL BOND, SERIES 2005

See Reverse
Side for
Additional
Provisions

Interest Maturity Dated
Rate: ____% Date: December 1, 20__ Date: September 1, 2005 CUSIP ____
Registered Owner:
Principal Amount:

[1] KNOW ALL MEN BY THESE PRESENTS, that School District Number 68, 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 December 1, 2005, 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 office of the School Treasurer who receives the taxes of the District, 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 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.

[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 to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity. Although this Bond constitutes a general obligation of the

District and no limit exists on the rate of said direct annual tax, the amount of said tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Law"). The Law provides that the annual amount of the taxes to be extended to pay the issue of bonds of which this Bond is one and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District (the "Base"). Payments on the Bonds from the Base will be made on a parity with the payments on the outstanding limited bonds heretofore issued by the District. The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

[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 School District Number 68, Cook County, Illinois, by its Board of Education, has caused this Bond to be signed by the President and Secretary of said Board of Education, and to be registered, numbered and countersigned by the School Treasurer who receives the taxes of the District, all as of the Dated Date identified above.

President, Board of Education

Secretary, Board of Education

Registered, Numbered and Countersigned:
School Treasurer

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar and Paying Agent:
School Treasurer, School District
Number 68, Cook County, Illinois

This Bond is one of the Bonds described in the within mentioned resolution and is one of the Taxable General Obligation Limited Tax School Bonds, Series 2005, of School District Number 68, Cook County, Illinois.

(Manual Signature)

School Treasurer, as Bond Registrar

[Form of Bond - Reverse Side]

SCHOOL DISTRICT NUMBER 68

COOK COUNTY, ILLINOIS

TAXABLE GENERAL OBLIGATION LIMITED TAX SCHOOL BOND, SERIES 2005

[6] This Bond is one of a series of bonds issued by the District for working cash fund purposes, 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 the Board of Education of the District by resolutions duly and properly adopted for that purpose, in all respects as provided by law.

[7] This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the principal office of the Bond Registrar in Skokie, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing 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 therefore.

[8] 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 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 month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date.

[9] The District and the Bond Registrar may deem and treat the registered holder 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 6. Sale of Bonds. The Bonds hereby authorized shall be executed as in this Resolution provided as soon after the passage hereof as may be, and thereupon be deposited with the School Treasurer who receives the taxes of the District, and be by said Treasurer delivered to William Blair & Company, L.L.C., Chicago, Illinois (the “Purchaser”), upon receipt of the purchase price therefore, the same being \$4,423,276, plus accrued interest to date of delivery; the contract for the sale of the Bonds heretofore entered into (the “Purchase Contract”) is in all respects ratified, approved and confirmed, it being hereby found and determined that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceed the maximum rate otherwise authorized by Illinois law and that the Purchase Contract is in the best interests of the District and that no person holding any office of the District, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract for the purchase of the Bonds; and the Bonds before being issued shall be registered, numbered and countersigned by said Treasurer, such registration being made in a book provided for that purpose, in which shall be entered the record of the resolution 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 7. Tax Levy. In order to provide for the collection of a direct annual tax 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, 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 TO PRODUCE THE SUM OF:
2005	\$2,313,080 for interest and principal up to and including December 1, 2006
2006	\$2,314,400 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.

Section 8. 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 of Cook County, Illinois (the “*County Clerk*”), and it shall be the duty of the County Clerk to annually in and for each of the years 2005 and 2006, 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 the special fund to be designated “School Bond and Interest Fund of 2005” (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. Interest earnings on the Bond Fund have not been earmarked or restricted by the Board for a designated purpose.

Section 9. Limitation on Extension; General Obligation Pledge; Additional Obligations. Notwithstanding any other provision of this Resolution, the annual amount of the taxes to be extended by the County Clerk to pay the Bonds and all other limited bonds (as defined in the Debt Reform Act) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Property Tax Extension Limitation Law of the State of Illinois, as amended) of the District (the “*Base*”).

No limit, however, exists on the rate of the direct annual tax levied herein, and the Bonds shall constitute a general obligation of the District.

Payments on the Bonds from the Base will be made on a parity with the payments on the District’s outstanding General Obligation Limited Tax School Bonds, Series 2002, dated June 1, 2002. The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District’s limited bonds.

Section 10. Use of Bond Proceeds. All moneys derived from the issuance of the Bonds hereby authorized shall be used only for the purpose and in the manner provided by the Act. Accrued interest 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 working cash fund purposes, and that portion thereof not needed to pay such costs shall be set aside in a separate fund known and designated as the “Working Cash Fund of School District Number 68, Cook County, Illinois,” which said fund shall be held apart, maintained and administered as provided in Article 20 of the Act at least until all the Bonds have been retired, and shall not be used for any other purpose whatsoever.

Section 11. Tax Matters. 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 Bonds) if taking, permitting or omitting to take such action would cause the interest on the Bonds not to be included in the gross income of the recipients thereof for federal income tax purposes.

Section 12. 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 13. 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 cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;

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

(e) 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 14. 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 15. 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 Board on advice of counsel, their approval to constitute full and complete acceptance by the District of such terms and provisions under authority of this Section.

Section 16. 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, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 17. 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 September 20, 2005.

President, Board of Education

Secretary, Board of Education

Member Frendreis moved and Member Schneider seconded the motion that said resolution as read be adopted.

After a full and complete discussion of said resolution, the President directed the Secretary to call the roll for a vote upon the motion to adopt said resolution.

Upon the roll being called, the following members voted AYE: Beller, del Rosario, Ehrlich, Frendreis, Schneider, and Steiner.

The following members voted NAY: None.

Whereupon the President declared the motion carried and said resolution duly adopted, in open meeting approved and signed said resolution and directed the Secretary to record the same in full in the records of the Board of Education of School District Number 68, Cook County, Illinois, which was done.

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

Secretary, Board of Education

8. APPROVAL OF PAY ORDERS AND EXPENDITURES

It was moved by Member Ehrlich, seconded by Member Steiner, that the Board of Education approve the following expenditures: (a) accounts payable checks dated 8/31/05, in the amount of \$710,040.29, (b) handwritten checks dated during August, including imprest, in the amount of \$335,979.59, (c) total payroll for August in the amount of \$271,772.48. Total checks issued for August, \$1,317,792.36.

Upon roll call, the members voted as follows:

AYE: Beller, del Rosario, Ehrlich, Frendreis, Schneider, Steiner

NAY: None

Motion carried.

9. COMMUNICATION

There was support to join a new federal lobbying consortium called Fed-Ed which was recently formed to communicate with federal legislators regarding education issues impacting area school districts.

There was discussion about Strategic Planning and possible facilitators. Discussion was deferred to next month when more information on the demographic study should be available. It was agreed that the Board would also review the Board goals from the May retreat.

10. CLOSED SESSION

It was moved by Member Ehrlich, seconded by Member Frendreis to move into closed session at 8:30 p.m. to discuss the performance of a specific employee, per 5 ILCS 120/2(c)(1), as amended by P.A. 93-0057.

Upon roll call, the members voted as follows:

AYE: Beller, del Rosario, Ehrlich, Frendreis, Schneider, Steiner

NAY: None

Motion carried.

11. PERSONNEL

The Board returned to open session at 8:40 p.m. It was moved by Member Frendreis, seconded by Member Schneider, that the Board of Education

a. appoint the following teacher for the 2005-06 school year:

<u>Name</u>	<u>Assignment</u>	<u>Lane & Step</u>	<u>Date Effective</u>
Grace Pigozzi	33% Spanish Teacher Old Orchard Jr. High School	MA Step 1	9/6/05

b. appoint the following classified staff members for the 2005-06 school year:

<u>Name</u>	<u>Position</u>	<u>Grade & Step</u>	<u>Date Effective</u>
Shreya Bharatia	Childcare Assistant Early Childhood Center	S-2 Step 1	9/19/05
Philip Charak	One-to-One Teaching Asst. Jane Stenson School	S-2 Step 1	9/1/05
Elizabeth Kaiz	Special Ed. Teaching Asst. Old Orchard Jr. High School	S-2 Step 3	9/6/05
Milena Nedeljkovic	One-to-One Teaching Asst. Devonshire School	S-2 Step 1	8/30/05

c. confirm the unpaid suspension of the following staff member:

<u>Name</u>	<u>Most Recent Position</u>	<u>Date Effective</u>
Fernando Dorado	Maintenance Worker	9/2/05-9/9/05

Upon roll call, the members voted as follows:

AYE: Beller, del Rosario, Ehrlich, Frendreis, Schneider, Steiner

NAY: None

Motion carried.

12. ADJOURNMENT

It was moved by Member Ehrlich, seconded by Member Frendreis, and unanimously approved that the meeting be adjourned at 8:45 p.m.

David Beller, President

Beth Millard, Board Secretary