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ARIZONA CORPORATION COMMISSION

SECURITIES DIVISION
(602) 542-4242
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January 27, 1992

Arthur F. Hill, Jr., Esq.
Haggerty, Koenig & Hill, Chtd.
100 North LaSalle Street, Suite 1111
Chicago, Illinois 60602

RE: General Obligation Lease Certificates, 1992 Series A
(Community College District No. 508)
General Obligation Lease Certificates, 1992 Series B
(Board of Education of the City of Chicago)
General Obligation Lease Certificates, 1992 Series C
(Board of Education of the City of Chicago)
A.R.S. § 44-1843(1)

Dear Mr. Hill:

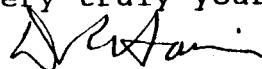
On the basis of the facts set forth in your letter of December 27, 1991, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letter.

As this position is premised upon the facts set forth in your letter, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

Please note that Arizona Administrative Rules and Regulations R14-4-104(5) requires that securities exempted pursuant to A.R.S. Section 44-1843(1) may be offered for sale or sold in Arizona only by registered dealers or salesmen.

We have attached a photocopy of your letter. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,


DEE RIDDELL HARRIS
Director of Securities

DRH:LRB:wjw

Attachment

Haggerty, Koenig & Hill, Chtd.

100 North LaSalle Street Suite 1111 Chicago, Illinois 60602
(312) 630-0060 Facsimile (312) 630-1058

Attorneys At Law

December 27, 1991

Mildred Haggerty
Kathleen A. Koenig
Arthur F. Hill, Jr.

Scott Norris
of Counsel

VIA FEDERAL EXPRESS

Dee R. Harris, Director
Arizona Corporation Commission
Securities Division
1200 West Washington Street
Suite 201
Phoenix, Arizona 85007

Re: General Obligation Lease Certificates, 1992 Series A
(Community College District No. 508)

General Obligation Lease Certificates, 1992 Series B
(Board of Education of the City of Chicago)

General Obligation Lease Certificates, 1992 Series C
(Board of Education of the City of Chicago)

Dear Director Harris:

We are counsel for the underwriters in connection with the proposed issuance of the Certificates described above. The Certificates represent proportionate interests in payments in respect of principal and interest to be made either by Community College District No. 508 or by the Board of Education of the City of Chicago, under leases of college or school facilities from the Public Building Commission of Chicago. The District, the Board and the Commission are all political subdivisions of the State of Illinois.

For the reasons discussed in this letter, we believe that the Certificates are exempt from registration pursuant to Section 44-1843 A.1. of the Arizona Blue Sky Law Act of 1959 (the "Act"). We wish to obtain your confirmation of that view.

Nature of the Certificates

The nature of the Certificates is the same for each series of the Certificates listed above. The lessee (the District or the Board) leases various college or school facilities from the Commission. Under the lease for those facilities, the lessee pays as rental an amount sufficient to pay annual debt service on those facilities, for administrative expenses of the Commission and for the renewal, replacement and improvement of those facilities.

The lessee's obligation to make lease payments is a general obligation of the lessee to which it has pledged its full faith and credit. Pursuant to the lease and in accordance with Illinois law,

a direct annual tax has been levied on all taxable property within the lessee's area in an amount sufficient to meet the lessee's lease payment obligation. If, for any reason, the collections of the tax levy are insufficient to make the lease payments when due, the lessee is to advance its general funds for that purpose, with the right to be reimbursed from those tax collections when received. The lessee is obligated to pay all expenses of operating and maintaining the college facilities.

Upon request of the lessee, pursuant to an Indenture of Trust and Assignment of an Interest in the Lease, the Commission proposes to irrevocably assign and sell to a Trustee the right to receive all lease payments in respect of principal and interest. The Trustee, in turn, will issue the certificates representing proportionate interests in those debt service lease payments assigned to the Trustee for that series of certificates. There is a separate lease or leases and Indenture for each series of certificates. The Trustee for each series is Harris Trust and Saving Bank, Chicago, Illinois.

The lessee in each case has consented to that assignment and sale and has agreed to cause all those debt service lease payments to be made directly to the Trustee. The obligation to make the debt service lease payments is unconditional and is not subject to any defense which the lessee may have in respect of its obligations to the Commission. Debt service lease payments are required to be made by the lessee without deduction, abatement or set-off for any reason whatsoever, including any damage to or destruction of college facilities.

If the lessee fails to make a payment or otherwise defaults under the Lease, the Certificate owners may pursue their remedies directly against the lessee, or may direct the Trustee to pursue such remedies on their behalf. The lessee will be directly obligated to each Certificate owner.

The Trustee will, in accordance with the Indenture, execute and deliver the Certificates of a series evidencing Certificate owners' proportionate interest in the related debt service lease payments, and will serve as a depository for the debt service lease payments and pay those amounts received to the Certificate owners in accordance with Indenture.

In addition, the Trustee will perform certain other ministerial functions pursuant to the Indenture, including maintaining a registered list of Certificateowners, exchanging and transferring Certificates, keeping books and records of moneys received and disbursed from the Indenture, and performing other functions customarily performed by municipal bond trustees.

Except as described above, neither the Commission nor the Trustee will have any obligation or liability to the Certificateowners with respect to the sufficiency or timeliness of debt service lease payments by the lessee.

The Trustee will sell the Certificates to a group of underwriters, who will in turn sell them to the general public.

The District

Community College District No. 508, Cook and DuPage County, Illinois, is a political subdivision of the State of Illinois which operates eight community colleges in the City of Chicago. It is supported by local property taxes levied by the City Council of the City of Chicago on the District's direction and state assistance. It is governed by a board appointed by the Mayor of the City of Chicago. It is the lessee for the Series A Certificates.

The Board

The Board of Education of the City of Chicago is a body politic and corporate and is the school district serving the City of Chicago. The Board is appointed by the Mayor of the City of Chicago and is supported by property taxes which it levies, state assistance and federal funds. It is the lessee for the Series B and Series C Certificates.

Basis For Exemption from Registration

We submit that, for the following reasons, the Certificates should be regarded for purposes of the Act as obligations of the District or the Board, and thus exempt from registration under Section 44-1843 A.1. of the Act. The District and the Board are sole obligors under their respective leases. The Certificates simply evidence ownership of proportionate shares of debt service lease payments. The Trustee performs only mechanical functions of passing those payments through to the Certificate owners. Each series of the Certificates evidence indebtedness of either the District or the Board. They are not separate obligations of the Trustee.

We note that the United States Securities and Exchange Commission treats participation interest and municipal leases, registered in the name of a trustee for the benefit of security holders, to be "governmental obligations" and thus exempt from registration under the Securities Act of 1933. The Securities and Exchange Commission has issued no action letters in circumstances almost identical to this present transaction. See, for example, State of New Jersey, SEC No Action Letter (May 21, 1984) and Kelling & Company, SEC No Action Letter (October 22, 1984).

Here, the various factors to which the Securities and Exchange Commission has looked to determine that the Certificates are exempt obligations of a governmental unit are present. Both the District's obligation and the Board's obligation to make debt service lease payments is unconditional and is not subject to any

defense. Their obligation is not subject to deduction, abatement or set-off for any reason or cause whatsoever, including any damage to or destruction of the leased facilities. Certificateowners have a direct right against the District or the Board to enforce payment of debt service lease rentals. The District and the Board are obligated to operate and maintain the facilities at their own expense. The Trustee provides only ministerial services described above in connection with the transaction. Its insolvency would have no effect on the rights of the Certificateowners.

We submit that for these same reasons, the Certificates are exempt from registration under Section 44-1843 A.1. of the Act, which exempts:

"Securities issued or guaranteed by the United States, or by any state, territory or insular possession thereof, or by any political subdivision of such state, territory or insular possession, or by the District of Columbia, or by any agency or instrumentality of one or more of any of the foregoing".

The Certificates are, in essence, a security issued by political subdivisions of the State of Illinois.

We would appreciate receiving your confirmation that the offer and sale of the Certificates in Arizona is exempt under Section 44-1843 A.1. of the Act. As provided in Section 44-186 L. of the Act, we have enclosed a check for two hundred dollars, payable to the "Arizona State Treasurer", in payment of the required fee. In that regard, if you agree, kindly sign the enclosed copy of this letter where indicated and return it to the undersigned in the pre-addressed, pre-paid Federal Express envelope. Please feel free to call me collect at (312) 630-0060 if you have any questions.

Very respectfully yours,


Arthur P. Hill, Jr.

The undersigned confirms that the offer and sale in _____
of the Certificates as described in this letter are exempt under
Section _____ of the Act.

SECURITIES DEPARTMENT

Dated: _____

By: _____

Title: _____